

## Calendar No. 535

109TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
109-293

### TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2007

JULY 26, 2006.—Ordered to be printed

Mr. BOND, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany H.R. 5576]

The Committee on Appropriations, to which was referred the bill (H.R. 5576) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2007, and for other purposes, reports the same to the Senate with an amendment and recommends that the bill as amended do pass.

#### *Amounts of new budget (obligational) authority for fiscal year 2007*

Total of bill as reported to the Senate .....	\$89,389,989,000
Amount of 2006 appropriations <sup>1</sup> .....	102,948,146,000
Amount of 2007 budget estimate .....	86,748,272,000
Amount of House allowance <sup>2</sup> .....	86,656,536,000
Bill as recommended to Senate compared to—	
2006 appropriations .....	– 13,558,157,000
2007 budget estimate .....	+ 2,641,717,000
House allowance .....	+ 2,654,889,000

<sup>1</sup> Includes \$20,685,563,000 in emergency appropriations.

<sup>2</sup> Excludes \$575,200,000 considered by the House for the District of Columbia.

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## PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2007, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms “program, project, and activity” [PPA] shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to discretionary grants and discretionary grant allocations made through either bill or report language. In addition, the percentage reductions made pursuant to a sequestration order to funds appropriated for facilities and equipment, Federal Aviation Administration, shall be applied equally to each budget item that is listed under said account in the budget justifications submitted to the House and Senate Committees on Appropriations as modified by subsequent appropriations acts and accompanying committee reports, conference reports, or joint explanatory statements of the committee of conference.

## REPROGRAMMING GUIDELINES

The Committee includes a provision (sec. 710) establishing the authority by which funding available to the agencies funded by this Act may be reprogrammed for other purposes. The provision specifically requires the advanced approval of the House and Senate Committees on Appropriations of any proposal to reprogram funds that: (1) creates a new program; (2) eliminates a program, project, or activity [PPA]; (3) increases funds or personnel for any PPA for which funds have been denied or restricted by the Congress; (4) proposes to redirect funds that were directed in such reports for a specific activity to a different purpose; (5) augments an existing PPA in excess of \$5,000,000 or 10 percent, whichever is less; (6) reduces an existing PPA by \$5,000,000 or 10 percent, whichever is less; or (7) creates, reorganizes, or restructures offices different from the congressional budget justifications or the table at the end of the Committee report, whichever is more detailed.

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this Act to establish the baseline for application of reprogramming and transfer authorities provided in this act. Specifically, each agency should provide a table for each appropriation with columns displaying the budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table

shall delineate the appropriation both by object class and by PPA. The report must also identify items of special congressional interest.

The Committee expects the agencies and bureaus to submit reprogramming requests in a timely manner and to provide a thorough explanation of the proposed reallocations, including a detailed justification of increases and reductions and the specific impact the proposed changes will have on the budget request for the following fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 30.

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the budget request for the current fiscal year. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does not receive identical responses from the House and Senate, it is the responsibility of the Department to reconcile the House and Senate differences before proceeding, and if reconciliation is not possible, to consider the request to reprogram funds unapproved.

The Committee would also like to clarify that this section applies to Working Capital Funds and Forfeiture Funds and that no funds may be obligated from such funds to augment programs, projects or activities for which appropriations have been specifically rejected by the Congress, or to increase funds or personnel for any PPA above the amounts appropriated by this Act.

#### RELATIONSHIP WITH BUDGET OFFICES

Through the years, the Committee has channeled most of its inquiries and requests for information and assistance through the budget offices of the various departments, agencies, offices, and commissions. The Committee has often pointed to the natural affinity and relationship between the budget offices and the Committee which makes such a relationship workable. The Committee reiterates its longstanding position that while the Committee reserves the right to call upon any office or officer in the departments, agencies, and commissions, the primary conjunction between the Committee and these entities must be through the budget offices. To help ensure the Committee's ability to perform its responsibilities, the Committee insists on having direct, unobstructed, and timely access to the budget offices and expects to be able to receive forthright and complete responses from that office and its employees.

#### CONGRESSIONAL BUDGET JUSTIFICATIONS

While the Committee supports the concept of the Program Assessment Rating Tool [PART] as a method for evaluating programs by linking performance, goals, and benchmarks with funding decisions, the process has failed largely through the inability of the administration to establish meaningful benchmarks and program goals that can be used as a valid measure for the success of a program and its funding requirements/needs. In too many cases, the

PART analysis appears to be overly subjective and designed to reach certain preconceived conclusions about a program's validity and accomplishments and its budget needs.

This approach reduces PART's value as a tool for measuring the contributions of a program and to what extent a program should be funded. More troubling, OMB and Federal agencies have tended to accommodate an increasing amount of PART performance data in the budget justifications by eliminating fundamental and objective programmatic budget data that is critical to the work of the Committee. This trend has made it increasingly difficult for the Committee to perform a meaningful review of budget justifications, including the ability to conduct necessary budget oversight work as well as the ability to reach valid and comprehensive funding decisions absent a substantial amount of additional review and budget analysis.

Budget justifications are prepared not for the use of the agency, but instead are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by OMB. In fact, OMB Circular A-11, part 6 specifically states that the "agency should consult with your congressional committees beforehand to ensure their awareness of your plans to modify the format of agency budget documents." The Committee is disappointed that none of the agencies funded under this act have recently heeded this direction. Nevertheless, the Committee expects all the budget justification to provide the data needed to make appropriate and meaningful funding decisions.

While the Committee values the inclusion of performance data and presentations, it is important to ensure that, in the implementation of the PART analysis, vital budget information that the Committee needs is not lost. Therefore, the Committee directs that justifications submitted with the fiscal year 2008 budget request by agencies funded under this act must contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of the report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency's financial plan from prior year enactment, and detailed data on all programs and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2008 to the fiscal year 2007 enacted level.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this act. Therefore, the Committee expects that the each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2008 budget request.

## HOUSE APPROPRIATIONS

The Senate Committee recommendation excludes District of Columbia appropriations items that were funded by the House in this bill. The Committee believes that it is appropriate to fund those items in a separate bill. For ease of comparison, the Committee report excludes in the “House allowance” those items that are addressed in the District of Columbia Appropriations Act, 2007, an original Senate bill.

TITLE I  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

Section 3 of the Department of Transportation Act of October 15, 1966 (Public Law 89–670) provides for establishment of the Office of the Secretary of Transportation [OST]. The Office of the Secretary is comprised of the Secretary and the Deputy Secretary immediate and support offices; the Office of the Under Secretary of Transportation for Policy, including the offices of the Assistant Secretary for Aviation and International Affairs and the Assistant Secretary for Transportation for Policy; three Assistant Secretarial offices for Budget and Programs, Governmental Affairs, and Administration; and the Offices of Small and Disadvantaged Business Utilization, Intelligence, Security and Emergency Response, Chief Information Officer, the General Counsel and Public Affairs. The Office of the Secretary also includes the Department’s Office of Civil Rights and the Department’s Working Capital Fund.

SALARIES AND EXPENSES

Appropriations, 2006 .....	\$84,051,000
Budget estimate, 2007 .....	92,742,000
House allowance .....	65,973,000
Committee recommendation .....	92,742,000

PROGRAM DESCRIPTION

This appropriation finances the costs of policy development and central supervisory and coordinating functions necessary for the overall planning and direction of the Department. It covers the immediate secretarial offices and the offices of the under secretary, assistant secretaries, general counsel and other support offices.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$92,742,000 for salaries and expenses of the Office of the Secretary of Transportation, including \$60,000 for reception and representation expenses. The recommendation is equal to the budget request and \$8,691,000 more than the fiscal year 2006 enacted level.

The accompanying bill authorizes the Secretary to transfer up to 5 percent of the funds from any Office of the Secretary to another. The Committee recommendation continues language that permits up to \$2,500,000 of fees to be credited to the Office of the Secretary for salaries and expenses.

The following table summarizes the Committee’s recommendation in comparison to the fiscal year 2006 enacted level and the budget estimate:



	Fiscal year—		Committee recommendation
	2006 enacted <sup>1</sup>	2007 request	
Immediate Office of the Secretary .....	\$2,176,000	\$2,255,000	\$2,255,000
Office of the Deputy Secretary .....	691,000	717,000	717,000
Office of the General Counsel .....	15,031,000	15,681,000	15,681,000
Office of the Under Secretary of Transportation for Policy .....	11,534,000	11,934,000	11,934,000
Office of the Assistant Secretary for Budget and Programs .....	8,400,000	10,002,000	10,002,000
Office of the Assistant Secretary for Governmental Affairs .....	2,270,000	2,319,000	2,319,000
Office of the Assistant Secretary for Administration .....	21,811,000	25,108,000	25,108,000
Office of Public Affairs .....	1,891,000	1,932,000	1,932,000
Executive Secretariat .....	1,428,000	1,478,000	1,478,000
Board of Contract Appeals .....	690,000	707,000	707,000
Office of Small and Disadvantaged Business Utilization .....	1,252,000	1,286,000	1,286,000
Office of Intelligence, Security, and Emergency Response .....	5,102,000	7,041,000	7,041,000
Office of the Chief Information Officer .....	11,776,000	12,281,000	12,281,000
Total, Salaries and Expenses .....	84,051,000	92,742,000	92,742,000

<sup>1</sup> Includes reduction pursuant to division B, title III, chapter 8 of Public Law 109–148.

The Committee allows funds made available in the fiscal year 2006 appropriations act under this section for the Missouri Transportation Institute to cover costs incurred retroactive to October 1, 2005.

#### IMMEDIATE OFFICE OF THE SECRETARY

##### PROGRAM DESCRIPTION

The Secretary of Transportation provides leadership and has the primary responsibility to provide overall planning, direction, and control of the Department.

##### COMMITTEE RECOMMENDATION

The Committee recommends \$2,255,000 for fiscal year 2007 for the Immediate Office of the Secretary. The recommendation is the same as the budget request and \$79,000 greater than the fiscal year 2006 enacted level.

#### IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

##### PROGRAM DESCRIPTION

The Deputy Secretary has the primary responsibility of assisting the Secretary in the overall planning and direction of the Department.

##### COMMITTEE RECOMMENDATION

The Committee recommends \$717,000 for the Immediate Office of the Deputy Secretary, which is identical to the budget request and \$26,000 greater than the fiscal year 2006 enacted level.

#### OFFICE OF THE GENERAL COUNSEL

##### PROGRAM DESCRIPTION

The Office of the General Counsel provides legal services to the Office of the Secretary including the conduct of aviation regulatory proceedings and aviation consumer activities and coordinates and reviews the legal work in the chief counsels' offices of the operating administrations. The General Counsel is the chief legal officer of

the Department of Transportation and the final authority within the Department on all legal questions.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$15,681,000 for expenses of the Office of the General Counsel for fiscal year 2007, equal to the budget request and \$650,000 greater than the fiscal year 2006 enacted level.

#### OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY

##### PROGRAM DESCRIPTION

The Under Secretary for Policy is the chief policy officer of the Department and is responsible to the Secretary for the analysis, development, and review of policies and plans for domestic and international transportation matters. The Office administers the economic regulatory functions regarding the airline industry and is responsible for international aviation programs, the essential air service program, airline fitness licensing, acquisitions, international route awards, computerized reservation systems, and special investigations such as airline delays.

#### COMMITTEE RECOMMENDATION

For fiscal year 2007, the Committee recommends \$11,934,000 for the Office of the Under Secretary for Policy, the same as the budget request and \$400,000 more than the fiscal year 2006 enacted level. The Committee denies the transfer of two FTEs from the Office of Intelligence, Security and Emergency Response.

#### OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

##### PROGRAM DESCRIPTION

The Assistant Secretary for Budget and Programs is the principal staff advisor to the Secretary on the development, review, presentation, and execution of the Department's budget resource requirements, and on the evaluation and oversight of the Department's programs. The primary responsibilities of this office are to ensure the effective preparation and presentation of sound and adequate budget estimates for the Department, to ensure the consistency of the Department's budget execution with the action and advice of the Congress and the Office of Management and Budget, to evaluate the program proposals for consistency with the Secretary's stated objectives, and to advise the Secretary of program and legislative changes necessary to improve program effectiveness.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$10,002,000 for the Office of the Assistant Secretary for Budget and Programs, the same as the budget request and \$1,602,000 over the fiscal year 2006 enacted level.

## OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

## PROGRAM DESCRIPTION

The Assistant Secretary for Governmental Affairs advises the Secretary on all congressional and intergovernmental activities and on all departmental legislative initiatives and other relationships with Members of Congress. The Assistant Secretary promotes effective communication with other Federal agencies and regional Department officials, and with State and local governments and national organizations for development of departmental programs; and ensures that consumer preferences, awareness, and needs are brought into the decision-making process.

## COMMITTEE RECOMMENDATION

The Committee recommends a total of \$2,319,000 for the Office of the Assistant Secretary for Governmental Affairs, an amount equal to the budget request and \$49,000 over the fiscal year 2006 enacted level.

## OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

## PROGRAM DESCRIPTION

The Assistant Secretary for Administration is responsible for establishing policies and procedures, setting guidelines, working with the operating administrations to improve the effectiveness and efficiency of the Department in human resource management, security and administrative management, real and personal property management, and acquisition and grants management.

## COMMITTEE RECOMMENDATION

The Committee recommends \$25,108,000 for the Office of the Assistant Secretary for Administration, the same as the budget request and \$3,297,000 above the fiscal year 2006 enacted level.

## OFFICE OF PUBLIC AFFAIRS

## PROGRAM DESCRIPTION

The Director of Public Affairs is the principal advisor to the Secretary and other senior departmental officials and news media on public affairs questions. The Office issues news releases, articles, fact sheets, briefing materials, publications, and audiovisual materials. It also provides information to the Secretary on opinions and reactions of the public and news media on transportation programs and issues. It arranges news conferences and provides speeches, talking points, and byline articles for the Secretary and other senior departmental officials, and arranges the Secretary's scheduling.

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,932,000 for the Office of Public Affairs, which is the same amount as the budget request and \$41,000 more than the fiscal year 2006 enacted level.

## EXECUTIVE SECRETARIAT

## PROGRAM DESCRIPTION

The Executive Secretariat assists the Secretary and the Deputy Secretary in carrying out their management functions and responsibilities by controlling and coordinating internal and external written materials.

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,478,000 for the Executive Secretariat. The recommendation is identical to the budget request and \$50,000 more than the fiscal year 2006 enacted level.

## BOARD OF CONTRACT APPEALS

## PROGRAM DESCRIPTION

The primary responsibility of the Board of Contract Appeals is to provide an independent forum for the trial and adjudication of all claims by, or against, a contractor relating to a contract of any element of the Department, as mandated by the Contract Disputes Act of 1978, 41 U.S.C. 601.

## COMMITTEE RECOMMENDATION

The Committee recommends \$707,000 for the Board of Contract Appeals, the same as the budget request and \$17,000 greater than the fiscal year 2006 enacted level.

## OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

## PROGRAM DESCRIPTION

The Office of Small and Disadvantaged Business Utilization has primary responsibility for providing policy direction for small and disadvantaged business participation in the Department's procurement and grant programs, and effective execution of the functions and duties under sections 8 and 15 of the Small Business Act, as amended.

## COMMITTEE RECOMMENDATION

The Committee recommends \$1,286,000, an amount equal to the budget request and \$34,000 more than the fiscal year 2006 enacted level.

## OFFICE OF INTELLIGENCE, SECURITY AND EMERGENCY RESPONSE

## PROGRAM DESCRIPTION

The Office of Intelligence, Security and Emergency Response keeps the Secretary and his advisors informed on intelligence and security issues pertaining to transportation. The office also provides support to the Secretary for his statutory and administrative responsibilities in the areas of emergency preparedness, response, and recovery functions. Further, the office ensures that transportation policy and programs support the national objectives of general welfare, economic growth and stability, and the security of the United States.

The Office of Intelligence, Security and Emergency Response is at the forefront of the Department's response to transportation-related emergencies. To prepare for such events, the office coordinates and conducts the Department's participation in national and regional exercise and training for emergency personnel; administers the Department's Continuity of Government and Continuity of Operations programs; and coordinates DOT's role in select international contingency plan and response initiatives. Additionally, the office provides direct emergency response and recovery support through the National Response Plan [NRP] and operates the Department's Crisis Management Center [CMC], a facility that monitors the Nation's transportation system 24 hours a day, 7 days a week and is the Department's focal point during emergencies.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$7,042,000 for the Office of Intelligence, Security and Emergency Response. The recommendation is equal to the request and \$1,940,000 more than the fiscal year 2006 enacted level. The Committee approves the request for two additional FTEs to carry out the emergency response functions of the office, and denies the request to transfer two FTEs to the Office of the Under Secretary of Transportation Policy.

#### OFFICE OF THE CHIEF INFORMATION OFFICER

##### PROGRAM DESCRIPTION

The Office of the Chief Information Officer [OCIO] serves as the principal adviser to the Secretary on matters involving information resources and information systems management.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$12,281,000, an amount equal to the budget request and \$505,000 greater than the fiscal year 2006 enacted level.

#### OFFICE OF CIVIL RIGHTS

Appropriations, 2006 .....	\$8,464,500
Budget estimate, 2007 .....	8,820,900
House allowance .....	8,821,000
Committee recommendation .....	8,820,900

##### PROGRAM DESCRIPTION

The Office of Civil Rights is responsible for advising the Secretary on civil rights and equal employment opportunity matters, formulating civil rights policies and procedures for the operating administrations, investigating claims that small businesses were denied certification or improperly certified as disadvantaged business enterprises, and overseeing the Department's conduct of its civil rights responsibilities and making final determinations on civil rights complaints. In addition, the Civil Rights Office is responsible for enforcing laws and regulations which prohibit discrimination in federally operated and federally assisted transportation programs.

## COMMITTEE RECOMMENDATION

The Committee recommends a funding level of \$8,820,900 for the Office of Civil Rights for fiscal year 2007. The recommendation is identical to the budget request and is \$356,400 more than the fiscal year 2006 enacted level.

## TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

Appropriations, 2006 .....	\$14,850,000
Budget estimate, 2007 .....	8,910,000
House allowance .....	4,910,000
Committee recommendation .....	9,334,000

## PROGRAM DESCRIPTION

The Office of the Secretary performs those research activities and studies which can more effectively or appropriately be conducted at the departmental level. This research effort supports the planning, research and development activities needed to assist the Secretary in the formulation of national transportation policies. The program is carried out primarily through contracts with other Federal agencies, educational institutions, nonprofit research organizations, and private firms.

## COMMITTEE RECOMMENDATION

The Committee recommends \$9,334,000 for transportation planning, research, and development, \$5,516,000 less than the fiscal year 2006 enacted level and \$424,000 more than the President's budget request. The Committee directs funding to be allocated to the following projects that are listed below:

## TPR&amp;D

Project name	Committee recommendation
Missouri Department of Transportation and the Commercial Vehicle Safety Alliance Education Training Program .....	\$1,000,000
St. Louis University Advanced Neurosurgical Innovation Center (SANIC), Missouri .....	1,000,000
Virtual Accident and Injury Reconstruction Center, Mississippi State University, Mississippi .....	2,500,000
Maritime Fire and Safety Association, Washington .....	485,000
Agriculture Freight Supply Chain Analyses, WSDOT .....	170,000
SR-520 Innovative Water Quality Protection Project, Washington .....	679,000
UVM Advanced Ground Penetrating Radar Systems, Vermont .....	1,000,000
Staten Island North/West Shore Rail Plan Study, New York .....	1,000,000
Tracking Methods for Intermodal Containerized Freight, Oklahoma .....	1,500,000

## WORKING CAPITAL FUND

Limitation, 2006 .....	(\$118,014,000)
Budget estimate, 2007 <sup>1</sup> .....	
House allowance .....	(120,000,000)
Committee recommendation .....	(123,418,000)

<sup>1</sup> Proposed without limitation.

## PROGRAM DESCRIPTION

The Working Capital Fund [WCF] provides common administrative services to the Department's operating administrations and other Federal entities. The services are centrally performed in the interest of economy and efficiency and are funded through nego-

tiated agreements with Department operating administrations and other Federal customers and are billed on a fee-for-service basis to the maximum extent possible.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$123,418,000 on activities financed through the Working Capital Fund. The budget request proposes to remove the obligation limitation on the Working Capital Fund for services to the operating administrations of the Department. The Committee, however, insists that the discipline of an annual limitation is necessary to keep assessments and services of the Working Capital Fund in line with costs. As in past years, the bill specifies that the limitation shall apply only to the Department and not to services provided by other entities. The Committee directs that services shall be provided on a competitive basis to the maximum extent possible.

#### MINORITY BUSINESS RESOURCE CENTER PROGRAM

	Appropriations	Limitation on guaranteed loans
Appropriations, 2006 .....	\$891,000	(\$18,367,000)
Budget estimate, 2007 .....	891,000	(18,367,000)
House allowance .....	.....	(18,367,000)
Committee recommendation .....	891,000	(18,367,000)

#### PROGRAM DESCRIPTION

The Minority Business Resource Center of the Office of Small and Disadvantaged Business Utilization provides assistance in obtaining short-term working capital for disadvantaged, minority, and women-owned businesses. The program enables qualified businesses to obtain loans at prime interest rates for transportation-related projects. As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with guaranteed loans for this program as well as administrative expenses of this program.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$891,000 to cover the subsidy costs for guaranteed loans and \$396,000 for administrative expenses to carry out the guaranteed loan program. The recommendation is the same as the budget estimate and is equal to the fiscal year 2006 enacted level. The Committee also recommends a limitation on guaranteed loans of \$18,367,000, the same amount as the budget request and the fiscal year 2006 enacted level.

#### MINORITY BUSINESS OUTREACH

Appropriations, 2006 .....	\$2,970,000
Budget estimate, 2007 .....	2,970,000
House allowance .....	2,970,000
Committee recommendation .....	2,970,000

## PROGRAM DESCRIPTION

This appropriation provides contractual support to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts arising out of transportation-related projects that involve Federal spending. It also provides support to historically black and Hispanic colleges. Separate funding is requested by the administration since this program provides grants and contract assistance that serves Department-wide goals and not just OST purposes.

## COMMITTEE RECOMMENDATION

The Committee recommends \$2,970,000 for grants and contractual support provided under this program for fiscal year 2007. The recommendation is the same as the budget request and the fiscal year 2006 enacted level.

## NEW HEADQUARTERS BUILDING

Appropriations, 2006 .....	\$49,500,000
Budget estimate, 2007 .....	59,400,000
House allowance .....	
Committee recommendation .....	59,400,000

## PROGRAM DESCRIPTION

This appropriation finances the tenant-related costs for a new Department of Transportation headquarters building. The proposed concept would consolidate all of the department's headquarters operating administration functions (except FAA), from various locations in the Washington, DC, metropolitan area into leased buildings within the central employment area of the District of Columbia.

## COMMITTEE RECOMMENDATION

The Committee recommends \$59,400,000 for tenant-related costs for new headquarters building. The recommendation is equal to the budget estimate and \$9,900,000 more than fiscal year 2006 enacted level.

*Headquarters Security.*—The Committee encourages the Secretary to explore purchasing the requisite software, hardware and installation services necessary to meet Homeland Security Presidential Directive-12 standards. The Secretary should explore smart card and biometric authentication for access to critical networks and applications as well as ingress/egress points in the new DOT headquarters building. In addition, the Secretary is encouraged to utilize small business concerns in meeting this requirement.



PAYMENTS TO AIR CARRIERS  
(AIRPORT AND AIRWAY TRUST FUND)

	Appropriations	Mandatory <sup>1</sup>	Total
Appropriations, 2006 <sup>1</sup> .....	\$59,400,000	\$50,000,000	\$109,400,000
Budget estimate, 2007 .....		50,000,000	50,000,000
House allowance .....	67,000,000	50,000,000	117,000,000
Committee recommendation .....	67,000,000	50,000,000	117,000,000

<sup>1</sup> From overflight fees or funds otherwise provided to the Federal Aviation Administration pursuant to 49 U.S.C. 41742.

PROGRAM DESCRIPTION

This appropriation provides additional funding for the Essential Air Service [EAS] program, which was created as a 10-year transition program to continue air service to communities that had received federally mandated air service prior to deregulation of commercial aviation in 1978. The program currently provides subsidies to air carriers serving small communities that meet certain criteria.

The Federal Aviation Administration Reauthorization Act of 1996 (Public Law 104–264) authorized the collection of user fees for services provided by the Federal Aviation Administration [FAA] to aircraft that neither take off from, nor land in, the United States. These are commonly known as overflight fees. In addition, the act stipulated that the first \$50,000,000 of annual fee collections must be used to finance the EAS program. In the event of a shortfall in fees, the law requires FAA to make up the difference from other funds available to the agency.

COMMITTEE RECOMMENDATION

For fiscal year 2007, the administration proposes no appropriated funds for the EAS program, although the budget includes \$50,000,000 for the EAS program to be funded by overflight fees collected by the FAA. The Committee recommendation provides a total of \$117,000,000 for the Essential Air Service program, which is comprised of an appropriation under this heading of \$67,000,000 and \$50,000,000 derived from overflight fees or funds otherwise available to the FAA. The Committee recommendation is \$67,000,000 more than the budget estimate and \$7,600,000 more than the fiscal year 2006 enacted level. Based on the latest projections from the Department of Transportation, the funding level that the Committee recommends is sufficient to continue air service during fiscal year 2007 for every community currently receiving service through the EAS program as of February 1, 2006.

*EAS Program Growth.*—The Committee is concerned about the substantial growth of the costs of the EAS program and about its ability to continue to provide sufficient funding for subsidies so that no community currently in the EAS system loses current service levels. The Department will have to renew a number of contracts during fiscal year 2007, and costs of the new contracts are expected to increase due to higher fuel prices and other factors. While the Committee's recommended funding level attempts to account for such factors, it is clear that the program will face additional pressure during a time of extreme fiscal constraint. Although

intended as a temporary program, many communities depend on this air service. Consequently, the Committee directs the Secretary to consider implementing section 402 of Vision 100—The Century of Aviation Reauthorization Act (Public Law 108–176) which permits an increase in the rates of compensation to air carriers due to the significant increase in the cost of fuel. This was unanticipated and outside the control of air carriers.

The following table reflects the points currently receiving service and the annual rates as of February 1, 2006 in the continental United States and Hawaii.

SUBSIDIZED EAS COMMUNITIES AS OF FEBRUARY 1, 2006

[Excludes Communities in Alaska]

States/Communities	Est. Miles to Nearest Hub (S,M,or L) <sup>1</sup>	Avg. Daily Enplnmts at EAS Point (YE 9/30/05)	Ann. Sbsdy Rates at 2/1/2006	Subsidy per Passenger	Total Psgrs (YE 9/30/05)
ALABAMA:					
Muscle Shoals .....	60	17.4	\$1,364,697	\$125.11	10,908
ARIZONA:					
Kingman .....	121	6.5	\$1,001,989	\$245.41	4,083
Page .....	282	14.6	\$1,057,655	\$115.68	9,143
Prescott .....	102	20.3	\$1,001,989	\$78.91	12,698
Show Low .....	154	8.7	\$779,325	\$142.34	<sup>2</sup> 5,475
ARKANSAS:					
El Dorado/Camden .....	107	6.8	\$923,456	\$218.10	4,234
Harrison .....	80	11.6	\$1,385,183	\$190.35	7,277
Hot Springs .....	51	10.3	\$923,456	\$143.73	6,425
Jonesboro .....	82	8.4	\$923,456	\$176.13	5,243
CALIFORNIA:					
Crescent City .....	223	38.2	\$816,025	\$34.16	23,885
Merced .....	60	27.5	\$645,751	\$37.46	17,237
Visalia .....	47	4.2	\$450,000	\$173.14	2,599
COLORADO:					
Alamosa .....	164	16.9	\$1,083,538	\$102.29	10,593
Cortez .....	255	25.8	\$853,587	\$52.77	16,175
Pueblo .....	36	4.9	\$780,997	\$255.06	3,062
GEORGIA:					
Athens .....	72	23.2	\$392,108	\$27.01	14,516
HAWAII:					
Hana .....	35	( <sup>3</sup> )	\$774,718	( <sup>3</sup> )	( <sup>3</sup> )
Kalaupapa .....	.....	( <sup>3</sup> )	\$331,981	( <sup>3</sup> )	( <sup>3</sup> )
Kamuela .....	39	( <sup>3</sup> )	\$395,053	( <sup>3</sup> )	( <sup>3</sup> )
ILLINOIS:					
Decatur .....	126	34.5	\$954,404	\$44.20	21,594
Marion/Herrin .....	123	36.6	\$1,251,069	\$54.60	22,913
Quincy .....	111	27.4	\$1,097,406	\$63.91	17,170
IOWA:					
Burlington .....	74	22.1	\$1,077,847	\$77.99	13,820
Fort Dodge .....	91	26.8	\$1,080,386	\$64.37	16,784
Mason City .....	131	43.6	\$1,080,386	\$39.59	27,289
KANSAS:					
Dodge City .....	150	12.5	\$1,379,419	\$176.22	7,828
Garden City .....	202	28.4	\$1,733,997	\$97.53	17,780
Great Bend .....	114	2.5	\$621,945	\$403.08	1,543
Hays .....	175	24.9	\$1,540,392	\$98.83	15,586
Liberal/Guymon, OK .....	138	13.9	\$1,008,582	\$116.14	8,684
Manhattan .....	122	32.3	\$360,803	\$17.82	20,243
Salina .....	97	7.6	\$360,803	\$75.75	4,763
KENTUCKY:					
Owensboro .....	105	10.3	\$1,127,453	\$175.64	6,419
MAINE:					
Augusta/Waterville .....	67	14.8	\$1,065,475	\$114.83	9,279
Bar Harbor .....	144	33.4	\$1,065,475	\$50.91	20,928

## SUBSIDIZED EAS COMMUNITIES AS OF FEBRUARY 1, 2006—Continued

[Excludes Communities in Alaska]

States/Communities	Est. Miles to Nearest Hub (S,M,or L) <sup>1</sup>	Avg. Daily Enplnmts at EAS Point (YE 9/30/05)	Ann. Sbsdy Rates at 2/1/2006	Subsidy per Passenger	Total Psgrs (YE 9/30/05)
Presque Isle .....	262	52.9	\$1,116,423	\$33.73	33,097
Rockland .....	81	23.0	\$1,065,475	\$73.87	14,424
MARYLAND:					
Hagerstown .....	60	20.6	\$649,929	\$50.42	12,891
MICHIGAN:					
Escanaba .....	112	35.9	\$290,952	\$12.96	22,450
Iron Mountain/Kingsford .....	105	29.0	\$602,761	\$33.19	18,163
Ironwood/Ashland, WI .....	213	10.4	\$409,242	\$62.68	6,529
Manistee/Ludington .....	110	7.9	\$776,051	\$156.40	4,962
MINNESOTA:					
Chisholm/Hibbing .....	199	33.7	\$1,279,329	\$60.72	21,069
Thief River Falls .....	305	15.2	\$777,709	\$81.73	9,516
MISSISSIPPI:					
Laurel/Hattiesburg .....	89	48.1	\$1,100,253	\$36.55	30,106
MISSOURI:					
Cape Girardeau .....	127	20.3	\$1,147,453	\$90.15	12,728
Fort Leonard Wood .....	85	25.3	\$683,201	\$43.05	15,869
Joplin .....	70	30.9	\$755,762	\$39.01	19,374
Kirksville .....	137	4.4	\$840,200	\$306.42	2,742
MONTANA:					
Glasgow .....	285	6.9	\$823,591	\$190.25	4,329
Glendive .....	222	3.6	\$823,591	\$368.17	2,237
Havre .....	230	5.0	\$823,591	\$263.55	3,125
Lewistown .....	103	2.8	\$823,591	\$472.78	1,742
Miles City .....	145	3.9	\$823,591	\$341.17	2,414
Sidney .....	272	11.5	\$823,591	\$114.71	7,180
West Yellowstone .....	332	13.8	\$418,488	\$48.32	8,660
Wolf Point .....	293	5.7	\$823,591	\$229.60	3,587
NEBRASKA:					
Alliance .....	233	4.5	\$655,898	\$233.25	2,812
Chadron .....	290	4.9	\$655,898	\$215.54	3,043
Grand Island .....	138	24.3	\$1,198,396	\$78.89	15,190
Kearney .....	181	21.1	\$1,166,849	\$88.32	13,212
McCook .....	256	6.3	\$1,502,651	\$379.55	3,959
North Platte .....	255	24.7	\$870,504	\$56.29	15,465
Scottsbluff .....	192	28.5	\$494,887	\$27.75	17,836
NEVADA:					
Ely .....	234	6.9	\$698,078	\$161.33	4327
NEW HAMPSHIRE:					
Lebanon .....	72	28.4	\$998,752	\$56.21	17,769
NEW MEXICO:					
Alamogordo/Holoman AFB .....	89	( <sup>4</sup> )	\$592,170	( <sup>4</sup> )	( <sup>4</sup> )
Carlsbad .....	149	14.0	\$599,671	\$68.63	8,738
Clovis .....	102	6.8	\$859,057	\$201.75	4,258
Hobbs .....	90	4.9	\$519,614	\$168.21	3,089
Silver City/Hurley/Deming .....	134	6.6	\$859,057	\$206.85	4,153
NEW YORK:					
Jamestown .....	68	26.6	\$501,937	\$30.10	16,676
Massena .....	138	10.7	\$585,945	\$87.85	6,670
Ogdensburg .....	105	6.4	\$585,945	\$146.67	3,995
Plattsburgh .....	82	4.1	\$753,964	\$294.17	2,563
Saranac Lake .....	132	7.4	\$753,964	\$161.83	4,659
Watertown .....	54	16.7	\$585,945	\$56.11	10,443
NORTH DAKOTA:					
Devils Lake .....	402	7.2	\$1,329,858	\$296.18	4,490
Dickinson .....	319	16.4	\$1,697,248	\$165.75	10,240
Jamestown .....	333	9.9	\$1,351,677	\$217.63	6,211
OKLAHOMA:					
Enid .....	84	3.5	\$636,279	\$289.88	2,195
Ponca City .....	80	2.6	\$636,279	\$387.03	1,644

## SUBSIDIZED EAS COMMUNITIES AS OF FEBRUARY 1, 2006—Continued

[Excludes Communities in Alaska]

States/Communities	Est. Miles to Nearest Hub (S,M,or L) <sup>1</sup>	Avg. Daily Enplnmts at EAS Point (YE 9/30/05)	Ann. Sbsdy Rates at 2/1/2006	Subsidy per Passenger	Total Psgrs (YE 9/30/05)
OREGON:					
Pendleton .....	185	21.6	\$649,974	\$47.99	13,545
PENNSYLVANIA:					
Altoona .....	112	20.9	\$893,774	\$68.16	13,112
Bradford .....	77	19.3	\$501,937	\$41.48	12,102
Du Bois .....	112	33.2	\$643,818	\$31.01	20,764
Johnstown .....	84	39.3	\$464,777	\$18.89	24,610
Lancaster .....	69	19.0	\$1,611,707	\$135.72	11,875
Oil City/Franklin .....	85	10.3	\$683,636	\$105.78	6,463
PUERTO RICO:					
Mayaguez .....	105	33.3	\$688,551	\$33.08	<sup>2</sup> 20,818
Ponce .....	77	11.2	\$622,056	\$88.54	<sup>2</sup> 7,025
SOUTH DAKOTA:					
Brookings .....	206	2.5	\$1,039,364	\$677.11	1,535
Huron .....	281	4.6	\$1,039,364	\$361.27	2,877
Pierre .....	395	20.3	\$449,912	\$35.43	12,699
Watertown .....	207	31.1	\$1,211,589	\$62.30	19,448
TENNESSEE:					
Jackson .....	86	7.2	\$1,179,026	\$261.54	4,508
TEXAS:					
Victoria .....	93	34.3	\$510,185	\$23.76	21,470
UTAH:					
Cedar City .....	179	42.4	\$1,068,607	\$40.22	26,567
Moab .....	256	3.1	\$674,804	\$344.99	1,956
Vernal .....	150	4.6	\$595,436	\$208.56	2,855
VERMONT:					
Rutland .....	69	6.7	\$849,705	\$202.89	4,188
VIRGINIA:					
Staunton .....	113	18.3	\$650,123	\$56.73	11,460
WASHINGTON:					
Ephrata/Moses Lake .....	102	11.8	\$1,698,922	\$230.30	7,377
WEST VIRGINIA:					
Beckley .....	168	6.3	\$977,858	\$247.12	3,957
Bluefield/Princeton .....	133	6.3	\$977,858	\$247.25	3,955
Clarksburg/Fairmont .....	96	27.6	\$306,109	\$17.72	17,270
Greenbrier/W.SulphSpr/LWB .....	166	15.8	\$540,579	\$54.50	9,918
Morgantown .....	75	35.7	\$306,109	\$13.68	22,379
Parkersburg .....	110	52.0	\$439,115	\$13.50	32,528
WYOMING:					
Laramie .....	145	27.1	\$397,400	\$23.44	16,956
Riverton .....	305	37.6	\$394,046	\$16.75	23,519
Rock Springs .....	189	45.0	\$390,488	\$13.85	28,195
Sheridan .....	132	42.0	\$336,701	\$12.79	26,318
Worland .....	161	6.1	\$797,844	\$208.42	3,828

<sup>1</sup> Hub classifications are subject to change annually based on the changes in enplanement levels at the specific hub and at all airports nationwide.

<sup>2</sup> 11 months annualized.

<sup>3</sup> Incomplete traffic data.

<sup>4</sup> Service hiatus.

#### ADMINISTRATIVE PROVISIONS—OFFICE OF THE SECRETARY OF TRANSPORTATION

Section 101. The Committee authorizes the Administrator of the Federal Aviation Administration to reimburse amounts made available pursuant to 49 U.S.C. 41742(a)(1) from fees credited under 49 U.S.C. 45303.

Section 102. The Committee authorizes the Secretary of Transportation to transfer to the account called “Minority Business Outreach” unexpended balances from the bonding assistance program

funded out of the account “Office of the Secretary, Salaries and Expenses.”

Section 103. The Committee prohibits the Office of the Secretary of Transportation from obligating funds originally provided to a modal administration in order to approve assessments or reimbursable agreements, unless the Department follows the regular process for reprogramming funds, including congressional notification.

Section 104. The Committee prohibits the Department of Transportation from amending regulations that define “actual control” of a domestic air carrier under the proposed “open skies” policy.

#### FEDERAL AVIATION ADMINISTRATION

##### PROGRAM DESCRIPTION

The Federal Aviation Administration is responsible for the safe movement of civil aviation and the evolution of a national system of airports. The Federal Government’s regulatory role in civil aviation began with the creation of an Aeronautics Branch within the Department of Commerce pursuant to the Air Commerce Act of 1926. This act instructed the agency to foster air commerce; designate and establish airways; establish, operate, and maintain aids to navigation; arrange for research and development to improve such aids; issue airworthiness certificates for aircraft and major aircraft components; and investigate civil aviation accidents. In the Civil Aeronautics Act of 1938, these activities were transferred to a new, independent agency named the Civil Aeronautics Authority.

Congress streamlined regulatory oversight in 1957 with the creation of two separate agencies, the Federal Aviation Agency and the Civil Aeronautics Board. When the Department of Transportation [DOT] began its operations in 1967, the Federal Aviation Agency was renamed the Federal Aviation Administration [FAA] and became one of several modal administrations within DOT. The Civil Aeronautics Board was later phased out with enactment of the Airline Deregulation Act of 1978, and ceased to exist in 1984. Responsibility for the investigation of civil aviation accidents was given to the National Transportation Safety Board in 1967. FAA’s mission expanded in 1995 with the transfer of the Office of Commercial Space Transportation from the Office of the Secretary, and decreased in December 2001 with the transfer of civil aviation security activities to the new Transportation Security Administration.

##### COMMITTEE RECOMMENDATION

The total recommended program level for the FAA for fiscal year 2007 amounts to \$8,366,000,000, which is \$261,860,000 more than the fiscal year 2006 enacted level. The following table summarizes the Committee’s recommendations:

	Fiscal year—		Committee recommendation
	2006 enacted	2007 request	
Operations .....	\$8,104,000,000	\$8,366,000,000	\$8,366,000,000
General fund appropriation .....		2,921,000,000	2,921,000,000
Trust fund appropriation .....	(5,485,590,000)	(5,445,000,000)	(5,445,000,000)
Flight service stations transition costs .....	(148,500,000)		

	Fiscal year—		Committee recommendation
	2006 enacted	2007 request	
Facilities and equipment <sup>1</sup> .....	2,555,000,000	2,503,000,000	2,549,510,000
Research, engineering, and development .....	136,620,000	130,000,000	135,500,000
Grants-in-aid for airports .....	3,514,500,000	2,750,000,000	3,520,000,000
Total .....	14,310,000,000	13,749,000,000	14,571,010,000

<sup>1</sup> Does not include emergency appropriation of \$40,600,000 in Public Law 108–324.

#### OPERATIONS

Appropriations, 2006 .....	\$8,104,141,000
Budget estimate, 2007 .....	8,366,000,000
House allowance .....	8,360,000,000
Committee recommendation .....	8,366,000,000

#### PROGRAM DESCRIPTION

This appropriation provides funds for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems. It also covers administrative and managerial costs for the FAA's regulatory, international, commercial space, medical, engineering and development programs, as well as policy oversight and agency management functions. The operations appropriation includes the following major activities: (1) the air traffic organization which operates, on a 24-hour daily basis, the national air traffic system, including the establishment and maintenance of a national system of aids to navigation, the development and distribution of aeronautical charts and the administration of acquisition, and research and development programs; (2) the regulation and certification activities including establishment and surveillance of civil air regulations to assure safety and development of standards, rules and regulations governing the physical fitness of airmen as well as the administration of an aviation medical research program; (3) the office of commercial space transportation; and (4) headquarters, administration and other staff and support offices.

#### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$8,366,000,000 for FAA operations, an increase of \$261,860,000 above the level provided for fiscal year 2006 and the same as the budget estimate. The Committee recommendation derives \$5,445,000,000 of the appropriation from the airport and airway trust fund. The level is equal to the budget estimate. The balance of the appropriation will be drawn from the general fund of the Treasury.

As in past years, FAA is directed to report immediately to the House and Senate Committees on Appropriations in the event resources are insufficient to operate a safe and effective air traffic control system.

*Second Career Training Program.*—The Committee includes language which prohibits the use of funds for the second career training program.

*Sunday Premium Pay.*—The Committee prohibits FAA from paying Sunday premium pay, except in those cases where the individual actually worked on a Sunday.

*Manned Auxiliary Flight Service Stations.*—The Committee continues a prohibition against the use of funds for operating a manned auxiliary flight service station in the contiguous United States.

*Aeronautical Charting and Cartography.*—The Committee prohibits the use of funds to conduct aeronautical charting and cartography [AC&C] activities through the working capital fund [WCF]. Public Law 106–181 had authorized the transfer of these activities from the Department of Commerce to the FAA.

*Government-issued Credit Cards.*—The Committee prohibits the use of a government-issued credit card to purchase a store gift card or gift certificate.

The following table summarizes the Committee’s recommendation in comparison to the budget estimate and fiscal year 2006 enacted level:

[In thousands of dollars]

	Fiscal year—		Committee recommendation
	2006 enacted	2007 budget estimate	
Air Traffic Organization .....	\$6,549,758	\$6,704,223	\$6,690,108
Aviation Safety .....	948,957	981,668	997,718
Commercial Space Transportation .....	11,641	11,985	11,722
Financial Services .....	50,473	94,708	93,620
Human Resource Management .....	69,244	87,850	87,850
Region and Center Operations .....	149,237	272,821	272,821
Staff Offices .....	140,580	175,392	175,655
Information Services .....	35,751	36,779	36,506
Flight Service Stations Transition .....	148,500	.....	.....
TOTAL .....	8,117,083	8,366,000	8,366,000

#### AIR TRAFFIC ORGANIZATION

The Committee recommends \$6,690,108,000 for the Air Traffic Organization to operate and maintain the national air traffic control system. The recommended level is \$140,350,000 more than the fiscal year 2006 enacted level. The Committee is confident that the recommended funding level is sufficient to continue safe and efficient management of the National Airspace System [NAS].

*Air Traffic Controller Contract.*—Recently, the FAA implemented a new contract for its air traffic controller workforce. Under this contract, most current air traffic controllers would continue to receive their existing base salaries and benefits while newly hired controllers would be hired at lower wage rates. The FAA has maintained that this contract will result in significant cost savings, freeing up resources for other critical agency needs. However, the Committee is concerned that the imposition of these new contract terms could result in an even larger number of senior controllers choosing to retire than was originally contemplated by the FAA. Given the overarching need for the agency to retain a seasoned and experienced workforce to maintain safety, the Committee plans to monitor this situation carefully. As such, in addition to the prompt and regular submission of the controller workforce staffing plan, the Committee directs FAA to report to the House and Senate Committees on Appropriations on the extent of controller retirements and any trends they are experiencing in comparison to the number of

retirements anticipated by the FAA for the current year and the number of retirements experienced in prior years. This report is due no later than April 15, 2007.

*FAA Workforce Plans.*—The bill includes provisions that require the FAA to submit to Congress its annual air traffic controller workforce plan by March 1 of each year, and that would reduce the appropriation to the FAA's Operations account by \$100,000 for each day that the report is late. The Committee is greatly frustrated by the FAA's failure to transmit an update to its workforce plan. The original plan was transmitted to Congress in December 2004, and despite promises that the plan would be updated annually, the Committee is still waiting for the revised plan. On May 4, 2006, the Administrator testified before the Committee that an updated report would be submitted in a short period of time. The report, however, is now seven months late. The Committee directs the FAA to submit its 2006 plan immediately. The Committee also notes that half of the FAA's inspector workforce is expected to retire by the year 2010. The Committee believes that an effective safety staff is vital to protecting the public, and that supporting this staff is essential to ensuring the safety of an increasing complex aviation system. Consequently, the bill includes a provision that requires the FAA to submit to Congress a workforce plan that describes a strategy for maintaining a sufficient aviation safety staff that is similar in its content and identical in its format to the air traffic controller workforce plan. The Committee expects the aviation safety workforce plan will provide a background to the current staffing levels, describe the challenges to hiring sufficient safety staff, forecast expected attrition, set specific and realistic hiring targets over a ten-year period, and detail strategies for meeting staffing needs through better management practices in the same manner as was utilized in the initial air traffic controller workforce plan. The bill includes a provision that would reduce the appropriation to the FAA's Operations account by \$100,000 for each day that the report is late.

*Air Traffic Control Supervisor Staffing.*—The Committee remains concerned that there are not enough Air Traffic Control Supervisors in place to assure flight safety. Additional supervisors are necessary to reduce operational errors that have led to dangerous runway incursions and serious in flight errors. To remedy this, Congress mandated in fiscal year 2005 Transportation Appropriations bill that the FAA have 1,846 supervisors in place by September 30, 2005. The FAA only had 1,801 in September and the number has since fallen to 1,777 on March 18, 2006 at the same time operational errors continue to rise. We are concerned that the FAA is moving in the wrong direction and is not promoting controllers to supervisory ranks. The Committee expects the FAA to fill supervisor vacancies and to meet the mandated floor of 1,846 Supervisors. The Committee directs FAA to submit a report by January 31, 2007, stating how many Air Traffic Control Supervisors are in place on September 30, 2006 and the FAA's plan to hire additional supervisors to address the problem of increased operational errors.

*Alien Species Action Plan [ASAP].*—The Committee recommends \$1,600,000 to continue the implementation of the Alien Species Ac-



tion Plan which was adopted by the FAA as part of its August 26, 1998, record of decision approving certain improvements at Kahului Airport on the Island of Maui. These funds will be used to execute capital projects and continue the operational requirements imposed by the ASAP.

#### AVIATION SAFETY

The Committee recommends \$997,718,000 for aviation safety. The recommendation is \$48,761,000 more than the enacted level.

*Aviation Safety Inspectors and Aircraft Certification Staff.*—The Committee provides \$48,711,612 for aviation safety, an increase of \$16,000,000 over the budget request to increase critical safety staff in the Office of Aviation Flight Standards [AFS] and the Office of Aircraft Certification [AIR]. The bill specifies that \$32,474,408—or two-thirds of the total funding for aviation safety—shall be used to increase the staff of the AFS office and that \$16,237,204—or one-third of the total—shall be used to increase the staff of the AIR office. The bill also prohibits the FAA from reprogramming those funds between the two offices or transferring the funds to any other activity.

For fiscal year 2006, the Committee provided \$12,000,000 above the budget request with the expectation that the FAA would increase safety staff by 238 new safety personnel. This increase in funding included \$8,000,000 for AFS inspectors, and \$4,000,000 for AIR safety inspectors, engineers, pilots, and scientists. In May, the Committee was disappointed to learn that the FAA would be able to add only 171 new employees to its safety staff. The Committee recognizes that the across-the-board cut and mandatory pay raise enacted for fiscal year 2006 constrains the FAA's ability to hire more aggressively; however, the Committee remains convinced that the staffing levels in the offices of flight standards and aircraft certification are not satisfactory. The Committee is especially concerned that the dearth of safety inspectors limits the FAA's ability to protect the safety of our air transportation system.

Finally, the Committee is frustrated by the FAA's failure to provide timely information on its hiring practices. The Committee repeatedly requested for information from the FAA on the progress the agency was making in increasing its safety staff, but never received an adequate response until days before the Committee held a hearing on the FAA's budget. Furthermore, the Committee notes that FAA has not yet followed directions in the Statement of Managers of the 2006 Act that instructs the FAA to provide semi-annual reports on its safety staff. In light of this communication gap, the bill now includes a requirement for the FAA to provide quarterly reports on the agency's progress in increasing the staff of its safety offices.

*Medallion Program.*—The Committee recommends \$5,000,000 to continue the medallion five star shield program, a key safety initiative in the FAA's current strategic plan for reducing general aviation accidents in Alaska.

FACILITIES AND EQUIPMENT  
(AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2006 .....	\$2,514,600,000
Budget estimate, 2007 .....	2,503,000,000
House allowance .....	3,110,000,000
Committee recommendation .....	2,549,510,000

PROGRAM DESCRIPTION

The Facilities and Equipment [F&E] appropriation provides funding for modernizing and improving air traffic control and airway facilities, equipment, and systems. The appropriation also finances major capital investments required by other agency programs, experimental research and development facilities, and other improvements to enhance the safety and capacity of the airspace system. The program aims to keep pace with the increasing demands of aeronautical activity and remain in accordance with the Federal Aviation Administration's comprehensive 5-year capital investment plan [CIP].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,549,510,000 for the Facilities and Equipment of the Federal Aviation Administration. The Committee recommendation is \$46,510,000 more than the budget estimate and \$34,910,000 more than the fiscal year 2006 enacted level. The bill provides that \$2,101,610,000 is available for obligation until September 30, 2009, and \$447,900,000 is available until September 30, 2007.

The Committee recommendations focus on reinforcing greater accountability and mission goals, and strive for better or alternative ways of improving and modernizing the system. Furthermore, in reviewing the budget estimate for this account, the Committee has placed priority on funding programs necessary to upgrade current equipment for future capacity requirements or programs that will enable the FAA to proceed with initiatives to improve safety and initiatives to alleviate congestion, reduce aircraft spacing, and increase the efficiency of the NAS.

The Committee reiterates the need for the FAA to take immediate steps to control personnel cost growth and to impose budget and schedule discipline on major acquisition programs in a time of fiscal constraints and declining capital budget funding. Our Nation's air traffic control system has failed to keep up with the increasing and changing demands of civil aviation, and the FAA will not be able to meet future demands and needs without changing and improving the ways the agency modernizes the NAS. This challenge is unlikely to be met without changing the FAA culture. Ultimately, changing the FAA culture is a long-term proposition, but the failure to do so will harm the aviation industry, inconvenience the flying public, and serve as an obstacle to national economic growth.

*Budget Activities Format.*—The Committee directs that the fiscal year 2008 budget request for the Facilities and Equipment account conform to the same organizational structure of budget activities.

The Committee's recommended distribution of funds for each of the budget activities funded by the appropriation follows:

#### FACILITIES AND EQUIPMENT

	2007 estimate	Committee recommendation
Activity 1, Engineering, Development, Testing and Evaluation:		
Advanced Technology Development and Prototyping .....	\$45,100,000	\$50,100,000
Safe Flight 21 (SF-21) .....	19,700,000	30,700,000
Aeronautical Data Link (ADL) Applications .....	1,000,000	1,000,000
Next Generation VHF Air/Ground Communications System (NEXCOM) .....	25,000,000	25,000,000
Traffic Management Advisor (TMA) .....	37,600,000	37,600,000
NAS Improvement of System Support Laboratory .....	1,000,000	1,000,000
William J. Hughes Technical Center Facilities .....	12,000,000	12,000,000
William J. Hughes Technical Center Infrastructure Sustainment .....	4,200,000	4,200,000
System-Wide Information Management (SWIM) .....	24,000,000	24,000,000
ADS-B NAS Wide Implementation .....	80,000,000	80,000,000
Total, Activity 1 .....	249,600,000	265,600,000
Activity 2, Procurement and Modernization of Air Traffic Control Facilities and Equipment:		
En Route Programs:		
En Route Automation Modernization (ERAM) .....	375,700,000	375,700,000
En Route Systems Modification .....	27,500,000	27,500,000
Next Generation Weather Radar (NEXRAD)—Provide .....	2,000,000	2,000,000
Weather and Radar Processor (WARP) .....	7,400,000	7,400,000
ARTCC Building Improvements/Plant Improvements .....	51,000,000	51,000,000
Air Traffic Management (ATM) .....	78,850,000	78,850,000
Air/Ground Communications Infrastructure .....	16,500,000	16,500,000
ATC Beacon Interrogator (ATCBI)—Replacement .....	16,400,000	16,400,000
Air Traffic Control En route Radar Facilities Improvements .....	5,000,000	5,000,000
En Route Communications and Control Facilities Improvements .....	1,883,769	1,883,769
Integrated Terminal Weather System (ITWS) .....	20,900,000	20,900,000
FAA Telecommunications Infrastructure (FTI) .....	28,000,000	28,000,000
Oceanic Automation System .....	31,350,000	31,350,000
Air Traffic Operations Management System (ATOMS) .....	6,000,000	6,000,000
Voice Switching and Control System (VSCS) .....	15,000,000	15,000,000
En Route Communications Gateway (ECG) .....	4,200,000	4,200,000
Volcano Monitoring .....	.....	5,000,000
Terminal Programs:		
Airport Surface Detection Equipment—Model X (ASDE—X) .....	63,600,000	63,600,000
Terminal Doppler Weather Radar (TDWR)—Provide .....	12,500,000	12,500,000
Standard Terminal Automation Replacement System (STARS) (TAMR Phase 1) .....	49,200,000	49,200,000
Terminal Automation Program .....	13,800,000	13,800,000
Terminal Air Traffic Control Facilities—Replace .....	124,000,000	149,000,000
ATCT/Terminal Radar Approach Control (TRACON) Facilities—Improve .....	44,233,563	44,233,563
Terminal Voice Switch Replacement (TVSR)/Enhancement Terminal Voice Switch (ETVS) .....	11,300,000	11,300,000
NAS Facilities OSHA and Environmental Standards Compliance .....	25,000,000	25,000,000
Airport Surveillance Radar (ASR—9) .....	15,900,000	15,900,000
Terminal Digital Radar (ASR—11) .....	44,050,000	44,050,000
DOD/FAA Facilities Transfer .....	2,300,000	2,300,000
Precision Runway Monitors .....	2,600,000	2,600,000
Terminal Radar (ASR)—Improve .....	2,022,848	3,532,848
Terminal Communications—Improve .....	1,348,887	1,348,887
Runway Status Lights (RWSL) .....	13,700,000	13,700,000
Terminal Automation Modernization/Replacement Program (TAMR Phase 2) ....	30,450,000	30,450,000
National Airspace System Voice Switch (NVS) .....	1,000,000	1,000,000
Weather System Processor (WSP) .....	1,000,000	1,000,000
NAS Infrastructure Management System (NIMS) .....	5,000,000	5,000,000
Flight Service Programs:		
Automated Surface Observing System (ASOS) .....	5,000,000	5,000,000
FSAS Operational and Supportability Implementation System (OASIS) .....	8,300,000	8,300,000
Flight Service Station (FSS) Modernization .....	6,000,000	6,000,000

## FACILITIES AND EQUIPMENT—Continued

	2007 estimate	Committee recommendation
Landing and Nav Aids:		
VHF Omnidirectional Radio Range (VOR) with Distance Measuring Equipment (DME) .....	5,000,000	5,000,000
Instrument Landing System (ILS)—Establish .....	4,000,000	8,000,000
Wide Area Augmentation System (WAAS) for GPS .....	122,400,000	97,400,000
Runway Visual Range (RVR) .....	5,000,000	5,000,000
LORAN-C .....		10,000,000
Navigation and Landing Aids—Improve .....	4,270,933	4,270,933
Approach Lighting System Improvement Program (ALSIP) .....	12,000,000	22,000,000
Distance Measuring Equipment (DME) .....	5,000,000	5,000,000
Visual Nav aids—Establish/Expand .....	2,000,000	2,000,000
Instrument Approach Procedures Automation (IAPA) .....	9,300,000	9,300,000
Navigation and Landing Aids—Service Life Extension Program (SLEP) .....	5,000,000	5,000,000
VASI Replacement—Replace with Precision Approach Indicator .....	3,000,000	3,000,000
Other ATC Facilities Programs:		
Fuel Storage Tank Replacement and Monitoring .....	5,800,000	5,800,000
FAA Buildings and Equipment .....	12,000,000	12,000,000
Air Navigational Aids and ATC Facilities (Local Projects) .....	3,000,000	3,000,000
Aircraft Related Equipment Program .....	11,000,000	11,000,000
Computer Aided Engineering and Graphics (CAEG)—Modernization .....	1,500,000	1,500,000
Airport Cable Loop Systems—Sustained Support .....	5,000,000	5,000,000
Alaskan NAS Interfacility Communications System (ANICS) .....	2,240,000	2,240,000
Facilities Decommissioning—NDB .....	12,600,000	12,600,000
Electrical Power System—Sustain/Support .....	38,000,000	38,000,000
Total, Activity 2 .....	1,438,100,000	1,468,610,000
Activity 3, Procurement and Modernization of Non-Air Traffic Control Facilities and Equipment:		
Support Programs:		
Hazardous Materials Management .....	20,000,000	20,000,000
Aviation Safety Analysis System (ASAS) .....	14,500,000	14,500,000
Logistics Support Systems and Facilities (LSSF) .....	1,000,000	1,000,000
Test Equipment—Maintenance Support for Replacement .....	1,500,000	1,500,000
National Airspace System (NAS) Recovery Communications (RCOM) .....	10,000,000	10,000,000
Facility Security Risk Management .....	25,000,000	25,000,000
Information Security .....	12,000,000	12,000,000
System Approach for Safety Oversight (SASO) .....	17,300,000	17,300,000
Aviation Safety Knowledge Management Environment (ASKME) .....	4,600,000	4,600,000
Training, Equipment and Facilities:		
Aeronautical Center Infrastructure Modernization .....	13,800,000	13,800,000
National Airspace System (NAS) Training Facilities .....	14,000,000	14,000,000
Distance Learning .....	1,500,000	1,500,000
Total, Activity 3 .....	135,200,000	135,200,000
Activity 4, Facilities and Equipment Mission Support:		
System Support and Support Services:		
System Engineering and Development Support .....	25,900,000	25,900,000
Program Support Leases .....	45,000,000	45,000,000
Logistics Support Services (LSS) .....	7,900,000	7,900,000
Mike Monroney Aeronautical Center Leases .....	13,500,000	13,500,000
Transition Engineering Support .....	24,700,000	24,700,000
Frequency and Spectrum Engineering .....	4,500,000	4,500,000
Technical Support Services Contract (TSSC) .....	35,000,000	35,000,000
Resource Tracking Program (RTP) .....	1,700,000	1,700,000
Center for Advanced Aviation System Development (CAASD) .....	70,000,000	70,000,000
NOTAMS and Aeronautical Information Programs .....	4,000,000	4,000,000
Total, Activity 4 .....	232,200,000	232,200,000
Activity 5, Personnel Compensation, Benefits, and Travel:		
Personnel and Related Expenses .....	447,900,000	447,900,000

## FACILITIES AND EQUIPMENT—Continued

	2007 estimate	Committee recommendation
Total, Activity 5 .....	447,900,000	447,900,000
Total, All Activities .....	2,503,000,000	2,549,510,000

*Advanced Technology Development and Prototyping.*—The Advanced Technology Development and Prototyping [ATDP] program develops and validates technologies that support a range of timely and critical initiatives within the Engineering, Development, Test and Evaluation activity. The Committee recommends \$50,100,000 to be distributed as follows:

	Committee recommendation
Runway incursion reduction program .....	\$8,000,000
System capacity, planning, and improvement .....	5,500,000
General aviation and vertical flight technology program .....	2,000,000
Operational concept validation .....	3,000,000
Safer skies .....	3,600,000
Wake turbulence .....	1,000,000
Airspace management laboratory .....	4,000,000
NAS requirements .....	800,000
Wind profiling and weather research Juneau .....	1,100,000
Runway obstruction warning system .....	2,000,000
Mobile object infrastructure technology .....	3,000,000
Airspace redesign .....	2,800,000
ATO strategy and evaluation .....	2,000,000
Energy management and efficiency compliance .....	5,000,000
Market based competitive sourcing .....	3,800,000
Dynamic capital planning .....	2,500,000

*Runway Obstruction Warning System.*—The Committee recommends an increase of \$2,000,000 for the ATDP budget line to continue development, enhancement, and evaluation of the Runway Obstruction Warning System at the test bed at Gulfport-Biloxi Airport.

*Mobile Object Infrastructure Technology.*—The Committee recommends \$3,000,000 to advance technology to pre-deployment status and demonstrate the mobile object infrastructure technology's ability to provide remote maintenance and monitoring; data collection from disparate and unspecified sources; quality assurance in a secure and dynamic infrastructure; and, to establish one of FAA's labs as an official system wide information management node.

*Safe Flight 21.*—The Committee supports the Safe Flight 21 program and recommends \$30,700,000, an increase of \$11,000,000 above the budget estimate. The Committee is disappointed that the administration has slashed the overall funding for Safe Flight 21; a program that is critical to the safety of general aviation in Alaska. The Committee urges the administration and FAA to be more sensitive to this and other important aviation programs.

*System-Wide Information Management [SWIM].*—The bill includes \$24,000,000 for the System Wide Information Management [SWIM] program, which will provide the foundation necessary for transforming the national airspace system into a network-centric operation. The Committee urges the FAA not to focus on narrowly defined connectivity projects and upgrades for existing FAA sys-

tems, and instead directs the FAA to use the funding provided to continue the developments in the overall SWIM architecture, standards, core information services, and demonstrations that are underway in the Global Communications, Navigation, Surveillance System program. In addition, the Committee urges the FAA to align its work on SWIM with the efforts of the Joint Planning and Development Office to build the next generation air transportation system. The Committee directs the FAA to submit a report to the Committee not later than January 30, 2007, that details how the agency will spend the \$24,000,000 provided for SWIM, including how much of the funding will be spent directly on SWIM systems architecture, standards and core information services. The Committee expects that all major information and automation programs in the national airspace system will use their existing program funds to support connectivity to the SWIM architecture. The Committee directs the FAA to highlight its plans and the funds allocated for achieving SWIM compliance and connectivity for each appropriate item in the Facilities and Equipment account in the agency's budget justifications for fiscal year 2008.

*Volcano Monitoring.*—The Committee recommendation provides \$5,000,000 to continue the volcano monitoring program.

*Air Traffic Control Training Simulators.*—The Committee recommends that the FAA continue to procure control tower simulators under an existing Air Force contract, which was a full and open competition, in order to continue upgrading their training capabilities in order to meet the needs identified in the Controller Workforce Plan [CWP] and the Capital Investment Plan [CIP]. The Committee understands that the FAA can request the Air Force to extend the existing contract by making a formal request to the Air Force to extend the time and pricing considerations. Currently, there are 121 tower control training simulators in place supporting ATC training in the United States with the military, the FAA and several universities that support the FAA's Collegiate Training Initiative [CTI] program.

*Terminal Air Traffic Control Facilities Replacement.*—The Committee recommendation includes \$149,000,000 for new and replacement air traffic control tower [ATCT] and ATCT/TRACON consolidation projects, an increase of \$25,000,000 from the budget request. Funding shall be available for the following projects in the corresponding amounts:

Location	Amount
Kalamazoo, MI .....	\$1,800,000
West Palm Beach, FL .....	10,000,000
Reno, NV .....	2,500,000
Cleveland, OH .....	3,700,000
Memphis, TN .....	22,400,000
Jeffco, CO .....	4,200,000
Palm Springs, CA .....	2,000,000
Houston, TX .....	2,000,000
Gulfport, MS .....	10,000,000
Las Vegas, NV .....	55,000,000
Pensacola, FL .....	1,100,000
Boise, ID .....	7,000,000
Dayton, OH .....	2,200,000
Barnstable, MA .....	250,000

*Reprogramming of Appropriated Funds for Tower and TRACON Replacements.*—The Committee notes that the FAA has initiated an effort to evaluate and prioritize the need to replace individual air traffic control towers and terminal radar approach control facilities. Part of this effort has included the preparation of a long-overdue accounting of prior-appropriated funds for this activity. Too often in the past, the FAA has delayed the construction of necessary projects for which funds had already been appropriated in order to reprogram resources to alternative projects without congressional notification or consultation. Most recently, the FAA has sought to alter this practice by seeking a formal reprogramming of funds toward the replacement of LaGuardia tower [LGA]. Much of this funding proposed to be reprogrammed for the LGA tower is to be derived from monies appropriated for some 20 other projects in 2004 and 2005.

At this point in time, the Committee has no choice but to approve this reprogramming. Much of the funding proposed for reprogramming was initially appropriated in 2004 and is now at risk of lapsing due to the agency's failure to spend the funding on the projects for which they were intended. For example, almost none of the funds that the Committee appropriated for fiscal year 2004 for the replacement of towers at Las Vegas, Nevada, Missoula, Montana, Traverse City, Michigan, Dayton, Ohio, and Kalamazoo, Michigan have been spent. The FAA has stated that they are likely to pursue those projects some time in the future and, if necessary, seek additional funding to complete them either through additional reprogrammings or through new requests for appropriations. The Committee should not have to appropriate funding twice for the same project due to the agency's bureaucratic dithering and its failure to rapidly initiate design and construction of the projects that have been funded. Moreover, the Committee is concerned that the FAA's commitment to seek the necessary funding to complete these projects at some later time might prove to be a hollow promise, given the administration's propensity to propose funding cuts for the aviation capital programs and the pressure the FAA will face to fund other modernization needs.

As such, the Committee has appropriated \$25,000,000 in this bill to immediately replace the funds that have been reprogrammed away from tower projects that have not yet been completed and will need more funds in the future. These funds have been provided in lieu of funding the Administrator's request for the Wide Area Augmentation System [WAAS] which the Committee views as a lower priority. In making these funds available now, the Committee directs the Administrator to move out immediately with the completion of these projects. The Committee expects the Administrator to revisit her schedule for initiating design and construction for the projects cited above. The Committee has no intention of waiting until 2010 or later to see construction contracts awarded for tower replacement projects that received initial appropriations as long ago as 2001. In the future, barring any unusual circumstance, the Committee expects the FAA to restrict funding for any specific tower replacement to the facility for which it is appropriated.

*Terminal Digital Radar (ASR-11).*—The Committee recommends \$44,050,000, the same amount as the budget request. The ASR-11 program will replace 100 existing FAA radar systems at low-to-medium density terminal facilities.

The Committee is aware of the desire for a terminal radar to serve the regions of Utah County, Utah and Las Vegas, Nevada. The Committee encourages the FAA to work with Utah County, Utah and Las Vegas, Nevada to improve radar coverage for both areas.

*Terminal Radar [ASR]—Improve.*—The Committee has provided \$3,532,848 for the improvement of terminal radar [ASR] infrastructure throughout the NAS. Within the amount provided, \$600,000 shall be for in-service engineering and \$1,422,848 shall be for radar improvements in Tulsa, Oklahoma; Dallas-Fort Worth, Texas; Tampa, Florida; Azle, Texas, Denver, Colorado; and Roanoke, Virginia. The remaining \$1,510,000 shall be for the relocation of the ASR-8 radar at Bismarck, North Dakota.

*Instrument Landing System [ILS] Establishment.*—The Committee recommends \$8,000,000 for establishment of instrument landing systems. The Committee directs funds to be distributed as follows:

\$1,300,000 to establish an ILS at Aiken Municipal Airport, South Carolina;

\$750,000 to establish and ILS at Alliance Municipal Airport in Alliance, Nebraska;

\$2,200,000 To upgrade ILS to Category III on Runway 31, Atlantic City, New Jersey; and

\$2,400,000 To acquire and install ILS at Council Bluffs Municipal Airport, Iowa.

*Approach Lighting System Improvement Program [ALSIP].*—The Committee recommends \$22,000,000 for the procurement and installation of frangible approach lighting equipment including high intensity approach lighting system with sequenced flashing lights [ALSF-2] and medium intensity approach lighting system [MALSR]. The amount provided is \$8,000,000 more than the budget request. The Committee expects that \$4,000,000 of the amount provided above the request shall be used to install previously procured MALSR systems presently stored in the FAA depot, utilizing the same four-phase approach presently being utilized for the installation of these systems: \$1,000,000, the Committee expects the FAA to procure two Low Cost MALSR systems for the continued evaluation of this new technology system, which will reduce life cycle costs; and the recommendation includes \$5,000,000 to continue the program of providing lighting systems at rural airfields throughout Alaska.

*Loran-C.*—The Committee recommends \$10,000,000 to continue the program to modernize the Loran-C navigation system. The Committee is aware that recapitalization of the Loran radionavigational system in the contiguous United States has largely been completed, but notes that substantial work remains in Alaska. Ultimately there needs to be a resolution between the GPS system and Loran-C. The best system deserves concrete investment. The Committee strongly believe there should be a worldwide system subject to rational criteria.



*Stand Alone Weather Sensors.*—The Committee notes that the budget does not request funding for the Stand Alone Weather Sensors program. The Committee is concerned that significant taxpayer funds have been spent on this program only to have the FAA warehouse important weather monitoring stations for class C airports nationwide. The Committee directs the FAA Administrator to submit a report by March 15, 2007, to the Committee detailing the number of SAWS systems purchased and deployed, improvements in flight safety at deployed airports, safety impacts at class C airports yet to receive SAWS systems, accounting of current class C airports, and the FAA's plan to proceed with the original intent of SAWS deployment at all class C airports.

*FAA Telecommunications Infrastructure.*—The purpose of the FTI program is to replace seven existing FAA-owned and -leased telecommunications networks with a single new network that would cost less to operate. FTI is an important program because it is expected to reduce FAA's growing operations costs and provide the backbone for several initiatives associated with the next generation air traffic management system. The Committee is concerned about delays to this program and diminishing benefits.

Specifically, the Committee was greatly dismayed to learn from the DOT Inspector General that the FAA failed to realize roughly \$33,000,000 in anticipated operating savings from the FTI program in fiscal year 2005 due to the agency's inability to disconnect legacy circuits in a safe and timely manner. The Inspector General also reported the FAA was at further risk of sacrificing over \$100,000,000 in planned operating savings in the current fiscal year because of program delays. The failure of the agency to capture these planned savings is unacceptable. Among other problems, these failures have undermined the Administrator's ability to adequately hire and train critically needed safety personnel, including safety inspector positions which the Committee funded in 2006 with resources provided in excess of the agency's budget request.

In April 2006, the Inspector General reported that FTI is a high risk effort and recommended that FAA take a number of actions. These include developing a realistic master schedule and effective transition plan by coordinating with all parties involved with the FTI transition, and validating cost estimates and benefits.

FAA is taking overdue but positive steps by including its regions, the current service provider, and the FTI contractor to improve the overall transition to FTI. While FAA has made some progress in improving FTI service deliveries, a significant number of FTI services that were accepted by FAA have not been cutover, thus requiring considerable rework and causing an increased backlog.

FAA also engaged MITRE to independently validate the FTI schedule. Based on MITRE's report, it appears that FTI will not be completed as planned in December 2007, but is more likely to be completed later in 2008. This will result in additional unplanned costs and a further reduction in projected cost savings from this program.

The Committee is aware that FAA will be reviewing the FTI cost and schedule baselines in August. After that review, the Committee expects the FAA to provide it with a clear understanding of the work required to complete FTI, a realistic estimate of when FTI

will be completed, how potential risks to ATC operations will be minimized, and when the Agency will begin to realize benefits from this multi-billion dollar investment. The Committee cautions FAA that future funding for this program is dependent on providing this information to this Committee in a timely manner.

#### RESEARCH, ENGINEERING, AND DEVELOPMENT

##### (AIRPORT AND AIRWAY TRUST FUND)

Appropriations, 2006 .....	\$136,620,000
Budget estimate, 2007 .....	130,000,000
House allowance .....	134,000,000
Committee recommendation .....	135,500,000

##### PROGRAM DESCRIPTION

The Research, Engineering and Development [RE&D] appropriation provides funding for long-term research, engineering and development programs to improve the air traffic control system by increasing its safety and capacity, as well as reducing the environmental impacts of air traffic, as authorized by the Airport and Airway Improvement Act and the Federal Aviation Act, as amended. The programs are designed to meet the expected air traffic demands of the future and to promote flight safety through improvements in facilities, equipment, techniques, and procedures in order to ensure that the system will safely and efficiently handle future volumes of aircraft traffic.

##### COMMITTEE RECOMMENDATION

The Committee recommends \$135,500,000 for the FAA's research, engineering, and development activities. The recommended level of funding is \$5,500,000 more than budget request and \$1,120,000 less than the fiscal year 2006 enacted level.

A table showing the fiscal year 2006 enacted level, the fiscal year 2007 budget estimate, and the Committee recommendation follows:

##### RESEARCH, ENGINEERING AND DEVELOPMENT

	Fiscal year—		Committee recommendation
	2006 enacted	2007 estimate	
Improve Aviation Safety:			
Fire Research and Safety .....	\$6,182,000	\$6,638,000	\$6,638,000
Propulsion and Fuel System .....	5,741,000	5,048,000	6,048,000
Advance Material/Structural Safety .....	5,881,000	2,843,000	4,843,000
Atmospheric Hazards/Digital System Safety .....	3,407,000	3,848,000	3,848,000
Aging Aircraft .....	19,807,000	18,621,000	18,621,000
Aircraft Catastrophic Failure Prevention Research .....	3,306,000	1,512,000	1,512,000
Flightdeck/Maintenance/System Integration Human Factors .....	8,099,000	7,999,000	7,999,000
Aviation Safety Risk Analysis .....	4,883,000	5,292,000	5,292,000
Air Traffic Control/Technical Operations Human Factors .....	9,558,000	9,654,000	9,654,000
Aeromedical Research .....	8,800,000	6,962,000	8,462,000
Weather Program—Safety .....	20,376,000	19,545,000	19,545,000
Unmanned Aircraft System .....		1,200,000	1,200,000
Improve Efficiency:			
Joint Program and Development Office .....	17,919,000	18,100,000	18,100,000
Wake Turbulence .....	2,273,000	3,066,000	3,066,000
Reduce Environmental Impacts: Environmental and Energy .....	15,840,000	16,008,000	16,008,000
Mission Support:			
System Planning and Resource Management .....	1,189,000	1,234,000	1,234,000

## RESEARCH, ENGINEERING AND DEVELOPMENT—Continued

	Fiscal year—		Committee recommendation
	2006 enacted	2007 estimate	
William J. Hughes Technical Center Laboratory Facility .....	3,359,000	3,430,000	3,430,000
RE&D Total .....	136,620,000	131,000,000	135,500,000

## IMPROVE AVIATION SAFETY

*Propulsion and Fuel Systems.*—The Committee recommends \$5,048,000 for propulsion and fuel systems research to reduce commercial fatalities. The Committee provides \$1,000,000 to complete the evaluation of the effects of molecular markers designed for the purpose of detecting adulteration or dilution of jet fuel for use in aviation engines.

*Advanced Materials/Structural Safety.*—The Committee recommends \$4,843,000 for advanced materials/structural safety research. The recommendation is an increase of \$2,000,000 from the budget estimate and an decrease of \$1,038,000 from the fiscal year 2006 enacted level. The Committee recommends \$500,000 to support and improve ongoing metallic and composite structures research at the National Institute for Aviation Research.

*Aeromedical Research.*—The Committee recommends \$8,462,000 for aeromedical research, an increase of \$1,500,000 above the budget estimate. The Committee recommends \$1,000,000 to continue studies related to cabin air quality to be conducted by the center of excellence for cabin environment research.

*Flight Attendant Fatigue.*—The Committee continues to be concerned about the issue of flight attendant fatigue, and whether current regulations provide adequate rest time for flight attendants. Pursuant to the Committee's request in the Consolidated Appropriations Act of 2005, the FAA submitted a report in July 2006 on the impact of the minimum rest requirements of FAR 121.467 and FAR 135.273. The study was limited in nature; however, the report stated that flight attendants are "experiencing fatigue and tiredness and as such, (fatigue) is a salient issue warranting further evaluation." In order to gain a fuller understanding of the impact of fatigue on flight attendants, the Committee directs FAA to utilize \$500,000 of its appropriation for CAMI to carry out its recommendations for further study of this problem. The Committee directs CAMI to submit a report to the Congress not later than December 31, 2008, and expects the report to include analysis in the six areas that CAMI identified in its report of July 2006: a survey of field operations, a focused study of incident reports, field research on the effects of fatigue, a validation of models for assessing flight attendant fatigue, international policies and practices, and the potential benefits of training.

GRANTS-IN-AID FOR AIRPORTS  
(LIMITATION ON OBLIGATIONS)  
(AIRPORT AND AIRWAY TRUST FUND)

Limitation, 2006 .....	\$3,514,500,000
Budget estimate, 2007 .....	2,750,000,000
House allowance .....	3,700,000,000
Committee recommendation .....	3,520,000,000

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of \$3,520,000,000 for grants-in-aid to airports for fiscal year 2007, which is \$770,000,000 more than the budget estimate and \$5,500,000 more than the fiscal year 2006 enacted level. The Committee recommendation is sufficient to continue the important tasks of enhancing airport and airway safety, ensuring that airport standards continue to be met, maintaining existing airport capacity, and developing additional capacity.

The Committee recommends several changes to the Grants-in-Aid for Airports programs by including language that allows funds appropriated to the Small Community Air Service Development Program [SCASDP] to be used for expenses associated with administering the program. This language further exempts SCASDP from the obligation cap for administration and transfers the amount appropriated to the account available to administer the program. This language would also exempt the Small Community Air Service Development Program's obligation of funds for administrative purposes from the Trust Fund obligation cap for administrative expenses.

In addition, these changes solve an inadvertent problem that was created in prior year appropriations. Because there is a prohibition on transfers, unless explicitly exempted, the funds for the SCASDP program cannot be transferred to the account where the program is currently administered. This language would allow the money to be transferred and align program funding with managed responsibility. In prior years, the SCASDP program has not been given the authority to use appropriated funds for administering the program. This language gives authority for funds appropriated to be used for administering the program.

*Airport Discretionary Grants.*—Of the funds covered by the obligation limitation in this bill, the Committee directs FAA to provide not less than the following funding levels, out of available resources, for the following projects in the corresponding amounts. The Committee agrees that State apportionment funds may be construed as discretionary funds for the purposes of implementing this provision. To the maximum extent possible, the administrator should work to ensure that airport sponsors for these projects first use available entitlement funds to finance the projects. However, the FAA should not require sponsors to apply carryover entitlement to discretionary projects funded in the coming year, but only those entitlements applicable to the fiscal year 2007 obligation limitation. The Committee further directs that the specific funding allocated above shall not diminish or prejudice the application of a specific

airport or geographic region to receive other AIP discretionary grants or multi-year letters of intent.

State	Airport Name	Project Description	Amount
AL	Birmingham International .....	Extension of runway 6/24 .....	\$3,500,000
AL	Franklin Field Airport .....	Environmental assessment, land acquisition, design and construction, relocation and extension of the existing runway and renovation of airport facility.	4,000,000
DE	Delaware Airpark (33N) .....	Construct a new runway, taxiway and apron system.	3,300,000
IL	Waukegan Regional .....	Environmental Study and land acquisition for runway extension.	1,000,000
KY	Louisville International-Standiford Field .....	Runway widening and various improvements.	3,200,000
KY	Barkley Regional .....	To construct a new terminal facility .....	1,500,000
LA	Louis Armstrong New Orleans International ....	Various Improvements .....	2,200,000
MA	Nantucket Memorial .....	Move air traffic control tower to accommodate terminal improvements.	2,000,000
MI	Bishop International .....	Cargo Apron expansion .....	3,000,000
MI	Capital City .....	Extend primary runway .....	4,000,000
MO	Mexico Memorial Airport .....	New terminal and various improvements .....	200,000
MO	Max B. Swisher Airport .....	Various improvements .....	8,750,000
MO	Rosecrans Memorial Airport .....	Rotary Snow Broom .....	350,000
MO	Farmington Regional Airport .....	Partial parallel taxiway construction .....	800,000
MS	Golden Triangle Regional Airport .....	Runway extension and environmental assessment.	2,000,000
MS	Greenwood-Leflore Airport .....	Control tower construction and various improvements.	2,000,000
MS	Jackson International Airport .....	Essential airfield improvements .....	4,000,000
MS	Trent Lott International Airport .....	Runway extension .....	2,000,000
MS	Tunica Municipal Airport .....	Runway and Parallel Taxiway Extension .....	2,000,000
MT	Billings Logan International Airport .....	Taxiway A Pavement Rehabilitation and Drainage Upgrade.	2,200,000
MT	Bert Mooney Airport Airport .....	Approach Lighting and environmental assessment.	1,500,000
MT	Great Falls International Airport .....	Expand and improve taxiway apron system and other improvements.	1,500,000
NC	Rowan County Airport .....	Existing runway protection zone land acquisition and airfield improvements.	1,000,000
NC	Statesville Regional Airport .....	Runway extension, runway strengthening, and other improvements.	1,000,000
ND	Devils Lake Municipal-Knoke Field .....	Reconstruct runway 13/31 .....	1,500,000
ND	Grand Forks International .....	Construct a new runway .....	1,000,000
NE	Western Nebraska Regional/William B. Heilig Field.	Various improvements .....	1,000,000
NM	Alexander Municipal .....	Construct new cross wind runway .....	1,500,000
NM	Albuquerque International Sunport .....	Aircraft parking ramp .....	1,000,000
NM	Las Cruces International .....	Runway Improvements .....	4,000,000
NY	Niagara Falls International .....	New Terminal Apron .....	1,000,000
OR	McNary Field .....	Construct new runway .....	1,500,000
OR	Roberts Field-Redmond Municipal .....	Renovation of airport terminal .....	2,000,000
PA	Erie Intl .....	Runway expansion .....	3,000,000
TN	Nashville International .....	Runway 13/31 improvements .....	5,000,000
TX	San Marcos Municipal .....	Various Improvements .....	4,500,000
WI	La Crosse Municipal .....	Phase 3 construction of parallel taxiway to primary runway and reconstruction of Taxiways A and E and the south General Aviation apron.	5,000,000
WI	Sheboygan County Memorial .....	Extend primary runway .....	2,000,000
WI	Southern Wisconsin Regional .....	Construct parallel taxiway to Runway 36; construct southwest T-Hangar apron; reconstruct T-Hangar apron and acquire land in the primary runway approach.	1,000,000
WV	West Virginia statewide .....	Various Improvements .....	8,000,000

*Panama City-Bay County International Airport, Florida.*—The Committee encourages the FAA to give priority consideration to the application for a letter of intent that the Panama City-Bay County International Airport Authority and Industrial District submitted for construction of a new airport. The FAA has noted that the runways at the current airport do not meet Federal safety and design standards. The FAA's draft environmental impact statement further noted that the "No Action" alternative is "not reasonable, feasible, practicable or prudent." The Committee has been informed that substantial safety and capacity benefits will accrue from the completion of this project. The Committee also understands this project has several unique characteristics, including having a private entity donate the new site and reducing conflict with military aircraft. In addition, the Committee understands that more than two-thirds of this project will be funded from non-Federal sources. The Committee supports the application as submitted and believes this is a unique opportunity to leverage Federal funds.

*Runway Incursion Prevention Systems and Devices.*—The bill includes a provision that allows funds for grants-in-aid to airports to be used by airports to procure and install runway incursion prevention systems and devices.

*Airport Technology.*—The budget estimate includes \$18,870,000 for airport technology research. The Committee recommendation is \$1,000,000 more than the budget request, and funds recommended in addition to the estimate are for the airfield pavements research program. The program is designed to develop safer, more cost-effective, and durable asphalt and concrete airfield pavements.

#### GRANTS-IN-AID FOR AIRPORTS

##### (AIRPORT AND AIRWAY TRUST FUND)

##### (RESCISSION OF CONTRACT AUTHORIZATION)

Rescission, 2006 .....	-\$1,032,000,000
Budget estimate, 2007 .....	-1,582,000
House allowance .....	-25,000,000
Committee recommendation .....	-765,490,000

#### COMMITTEE RECOMMENDATION

The Committee recommends a rescission of contract authorization of \$765,490,000 of contract authority from the Airport and Airway Trust Fund. Section 48112 of title 49, United States Code, stipulates that additional contract authorization for the grants-in-aid program is automatically made available in an amount equal to the difference between the appropriated level for the facilities and equipment program and the authorized amount for the same fiscal year.

#### ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

Section 110 limits the number of technical staff years at the Center for Advanced Aviation Systems Development to no more than 395 in fiscal year 2007.

Section 111 permits the Administrator to reimburse FAA appropriations for amounts made available for 49 U.S.C. 41742(a)(1) as fees are collected and credited under 49 U.S.C. 45303.

Section 112 allows funds received to reimburse FAA for providing technical assistance to foreign aviation authorities to be credited to the Operations account.

Section 113 extends the terms and conditions of the aviation insurance program, commonly known as “war risk insurance,” and the limitation on air carrier liability for third party claims arising out of acts of terrorism to August 31, 2007 and includes an option for the Secretary to further extend the program until December 31, 2007.

Section 114 extends the retirement age for pilots to age 65.

Section 115 prohibits funds in this act to be used to adopt guidelines or regulations requiring airport sponsors to provide the Federal Aviation Administration “without cost” buildings, maintenance, or space for FAA services. The prohibition does not apply to negotiations between FAA and airport sponsors concerning “below market” rates for such services or to grant assurances that require airport sponsors to provide land without cost to the FAA for air traffic control facilities.

#### FEDERAL HIGHWAY ADMINISTRATION

##### PROGRAM DESCRIPTION

The principal mission of the Federal Highway Administration is, in partnership with State and local governments, to foster the development of a safe, efficient, and effective highway and intermodal system nationwide including access to and within national forests, national parks, indian lands and other public lands.

##### COMMITTEE RECOMMENDATION

Under the Committee recommendations, a total program level of \$39,865,464,863 would be provided for the activities of the Federal Highway Administration in fiscal year 2007.

##### LIMITATION ON ADMINISTRATIVE EXPENSES

Appropriations, 2006 .....	\$360,991,620
Budget estimate, 2007 .....	372,504,000
House allowance .....	372,504,000
Committee recommendation .....	378,504,000

##### PROGRAM DESCRIPTION

This limitation on obligations provides for the salaries and expenses of the Federal Highway Administration for program management, direction, and coordination; engineering guidance to Federal and State agencies; and advisory and support services in field offices.

##### COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of \$378,504,000 for administrative expenses of the agency.

This limitation is \$6,000,000 more than the budget request and \$17,512,380 more than the fiscal year 2006 enacted level. The Committee recommends the additional funding be used to continue to improve oversight and stewardship of the Federal-aid highway funds to ensure that every Federal dollar is well spent and that

program operations and processes are efficient and streamlined. The funds should be applied to the Financial Integrity Review and Evaluation program, improvements to FHWA's Fiscal Information Management System, as well as permanent change of station moves.

#### LIMITATION ON TRANSPORTATION RESEARCH

Limitation, 2006 .....	\$425,502,000
Budget estimate, 2007 .....	429,800,000
House allowance .....	429,800,000
Committee recommendation .....	429,800,000

#### PROGRAM DESCRIPTION

The limitation controls spending for the transportation research and technology programs of the FHWA. This limitation includes the intelligent transportation systems, surface transportation research, technology deployment, training and education, and university transportation research. Funding for the Bureau of Transportation Statistics [BTS] is also included within this limitation even though BTS is organizationally placed within the Research and Innovative Technology Administration [RITA]. Additional information regarding BTS is included in the RITA section of this report.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations for transportation research of \$429,800,000. This limitation is consistent with the Senate-passed authorization level and is \$4,298,000 more than the fiscal year 2006 enacted level.

#### FEDERAL-AID HIGHWAYS

#### (LIMITATION ON OBLIGATIONS)

#### (HIGHWAY TRUST FUND)

Limitation, 2006 .....	\$35,672,020,464
Budget estimate, 2007 .....	39,086,464,683
House allowance .....	39,086,464,683
Committee recommendation .....	39,086,464,683

#### PROGRAM DESCRIPTION

The Federal-aid highways program provides financial support to States and localities for development, construction, and repair of highways and bridges through grants. The program is financed from the Highway Trust Fund and most of the funds are distributed through apportionments and allocations to States. Title 23 of the United States Code and other supporting legislation provide authority for the various activities of the FHWA. Funding is provided by contract authority, with program levels established by annual limitations on obligations set in appropriations acts.

#### COMMITTEE RECOMMENDATION

The Committee recommends limiting fiscal year 2007 Federal-aid highways obligations to \$39,086,464,683, which is \$3,414,444,220 more than the fiscal year 2006 enacted level.



### FERRY BOATS AND FERRY TERMINAL FACILITIES

Within the funds available for ferry boats and ferry terminal facilities, funds are to be available for the following projects and activities:

Project name	Committee recommendation
Cleveland-Cuyahoga County Port Authority Intermodal Relocation Opportunity Study, OH .....	\$1,000,000
Detroit/Wayne County Port Authority Public Dock, Detroit, MI .....	
Public Dock & Terminal Project, MI .....	3,000,000
Dorena-Hickman Ferry Boat Service, Mississippi County, Missouri .....	1,000,000
Haverstraw Ferry Terminal, NY .....	500,000
Homer-Halibut Cove-Jakolof Bay-Seldovia Ferry, AK .....	3,500,000
Kitsap Transit, Rich-Passage Wake Impact Study, WA .....	2,200,000
Manns Harbor Shipyard, NC .....	2,000,000
Mississippi River Ferry Boat Expansion, Davenport, Iowa .....	1,000,000
Mukilteo Multimodal Terminal Redevelopment, WA .....	675,000
Oak Bluffs Terminal reconstruction, Martha's Vineyard, MA .....	1,500,000
Oklahoma River Ferry Boat Transportation, Oklahoma .....	1,000,000
Puget Sound Regional Council, Passenger-Only Ferry Study, WA .....	125,000
Swan's Island Ferry Facilities Improvement Project, ME .....	1,000,000

### TRANSPORTATION AND COMMUNITY AND SYSTEM PRESERVATION PROGRAM

Within the funds available for transportation and community and system preservation program, funds are to be distributed to the following projects and activities:

Project name	Committee recommendation
87th Street Parkway Improvement, Lenexa, KS .....	\$1,500,000
Access Road to Beckley Veterans Affairs Medical Center, WV .....	1,400,000
Antelope Valley Project Transportation Improvements, NE .....	750,000
Aurora Bike Trail, IL .....	300,000
Cal-Sag Greenway Bike Trail, IL .....	250,000
City of Reading Streetscape Improvements, Pennsylvania .....	1,000,000
City of Warwick, RI; for a feasibility study on Route 37 extension, RI .....	250,000
Clayton Pedestrian Grade Separation, Johnston County, NC .....	575,000
Des Moines Creek Trail Access Project, Des Moines, WA .....	500,000
East Aztec Arterial Route, NM .....	1,000,000
Euclid Lakefront Mixed Use Harbor Town Marina Project, OH .....	750,000
Flats East Bank Project, OH .....	1,050,000
General Dacey Trail—Phase 2, IL .....	200,000
Grand Illinois Trail, Village of Carbon Cliff, IL .....	200,000
Great River Trail near Savanna, IL .....	200,000
Harrisburg to Eldorado Bike Trail, IL .....	250,000
Highway 49 Roadway Lighting, Hattiesburg .....	750,000
Hofstra University Safe and Sustainable Campus Plan, NY .....	1,000,000
Intersection Rehabilitation and Improvements, US24 and Marlatt Avenue, Manhattan, KS .....	1,500,000
Kaycee Main Street Project, Wyoming .....	500,000
Longleaf Trace Trail, MS .....	250,000
Morgantown access road—Airport to I-68, WV .....	2,300,000
Natchez Historical Trail, MS .....	500,000
Olympic Discovery Trail/Elwha River Pedestrian Bridge, Clallam County, WA .....	500,000
Pookela Road Improvements, HI .....	1,000,000
Separated Grade Crossing for Torrington, Wyoming .....	800,000
Shiloh Road Corridor—West Billings, MT .....	500,000
SIU—Edwardsville Morris Bike Trail, IL .....	200,000
South Dakota School of Mines and Technology Connector Road, South Dakota .....	1,000,000
Springfield Park District's Interurban Bicycle and Pedestrian Trail, IL .....	200,000
State Route 72 Widening, Grading, Paving, and General Safety Improvements, OH .....	500,000
Statesmen Boulevard and Trail, Delta State University, MS .....	500,000
Town of North Kingstown, RI; for Post Road Corridor Plan .....	500,000

Project name	Committee recommendation
Town of Tiverton, RI; Stone Bridge Improvements .....	500,000
U.S. 113 (Worcester Highway), Maryland .....	750,000
University of Southern Maine, University Commons Bedford Street Safety Improvements, ME .....	1,000,000
Urbana to Danville Trail, IL .....	200,000
Utah County Mobility Studies, UT .....	500,000
Uptown St. Joseph Revitalization Project, MO .....	1,000,000
Vermont Downtown Streetscape & Sidewalk Improvements in Springfield, Derby Line, Bristol, Stamford, Franklin [VT] .....	2,000,000
Western Kentucky University—Community Bikeway in Bowling Green, Kentucky .....	1,000,000
William H. Darr Agricultural Center Renovation of Facilities and Equipment, MO .....	1,000,000

## FEDERAL LANDS

Within the funds for the Federal lands program, funds are to be available for the following projects and activities:

Project name	Committee recommendation
116th Street NE Interchange Improvement Project, Tulalip Tribes, WA .....	\$1,000,000
Alaska Trail Initiative, AK .....	2,000,000
Arcadia Boat Ramp Project, Squaxin Island Tribe, WA .....	1,000,000
Beartooth Highway Reconstruction, WY .....	1,000,000
BIA Route 12 Cheyenne River Sioux Tribe, SD .....	2,000,000
BIA Route 6 Cheyenne River Sioux Tribe, South Dakota .....	2,000,000
Big Timber-McLeod Street Renovation Project, MT .....	2,000,000
Bozeman-Durston Avenue/Peach Street and North 7th Avenue Intersection, MT .....	2,000,000
City of Red Lodge West Fork Road & Ski Run Road, MT .....	1,000,000
City of Rocks Back Country Byway, Idaho .....	1,000,000
City of Rocks Back Country Byway, Idaho .....	3,000,000
Colorado State Highway 13 from Craig to Wyoming state line, Colorado .....	1,000,000
Colorado State Highway 150—from US 160, north to Great Sand Dunes National Park, Colorado .....	1,000,000
Consumer Road to Horizon Mine, Carbon County, Utah .....	1,250,000
Croix Street Reconstruction: Completion of Phase I, Negaunee, MI .....	350,000
Grand Teton Pathways Project, Wyoming .....	1,000,000
Grenada Access Road, MS .....	1,000,000
Hawaii Statewide Federal Lands Improvements, HI .....	800,000
Homochitto National Forest Roads, Lincoln County, MS .....	1,000,000
Hoover Dam Bypass Bridge, AZ .....	1,000,000
Kalispell Westside/Stillwater Bypass Project, MT .....	4,200,000
Pikes Peak Highway [CO] .....	1,000,000
Pondera County Rural Roads, MT .....	2,460,000
Reconstruct Nine Mile Canyon Road, Duchesne County, Utah .....	500,000
Road 27 Paving, NE .....	1,000,000
Sardis Lake Drive, MS .....	500,000
Shotgun Cove Road, AK .....	1,000,000
Skokomish Tribe Access Road and US-101 Realignment Project, WA .....	1,000,000
SR-160 Blue Diamond Highway—Las Vegas to Pahrump, NV .....	5,000,000
Three Affiliated Tribes, Wells Road, North Dakota .....	1,000,000
US 491 in Montezuma County [CO] .....	500,000
Valentine National Wildlife Refuge Roads in Cherry County, Nebraska .....	1,000,000
Valles Caldera National Preserve, New Mexico .....	1,400,000
Vermont Federal Lands Projects [VT] .....	640,000

## INTERSTATE MAINTANENCE DISCRETIONARY

Within the funds for the interstate maintenance discretionary program, funds are to be available for the following projects and activities:

Project name	Committee recommendation
East Belgrade Interchange, MT .....	\$1,000,000

Project name	Committee recommendation
I-10 Reconstruction/Las Cruces to New Mexico-Texas State Line, NM .....	1,500,000
I-12 at LA 1088 New Interchange, Louisiana .....	750,000
I-15 Auxiliary Lanes, Kaysville to 31st Street in Ogden, Utah .....	1,000,000
I-15 Bluff Interchange, St. George, Utah .....	750,000
I-225 at Colfax/US 40 & 17th Ave [CO] .....	1,000,000
I-25 and State Highway 16 Interchange at Fort Carson (Gate 20), CO .....	2,000,000
I-376 Redesignation Improvement Plan, Pennsylvania .....	2,000,000
I-5/I-205 Salmon Creek Interchange Project, Clark County, WA .....	2,000,000
I-70 Viaduct Realignment, Topeka, KS .....	500,000
I-73, Construction of I-73 from Myrtle Beach, SC to I-95, ending at the North Carolina state line, SC .....	500,000
I-75 at South Dixie Drive/Central Avenue Interchange, OH .....	2,000,000
I-81 Widening, PA .....	625,000
I-84, US-93 Interchange, Stage 2—Idaho .....	500,000
I-85 New Interchange in Troup County, GA .....	1,000,000
I-95 in Cumberland, Harnett, and Johnston Counties, NC .....	750,000
I-95/U.S. Hwy 301 Interchange, SC .....	500,000
Improvements to Rte 266 and Interchange with I-44, MO .....	2,500,000
Interstate 20/59 Industrial Park Interchange, MS .....	3,150,000
Interstate 29 Utility Relocation, Sioux City, Iowa .....	500,000
Interstate 69/Great River Bridge: Highway 65-MS Highway 1, AR .....	2,000,000
Interstate 80 Concrete Rehabilitation, Wyoming .....	750,000
Interstate 84 Burnt River Freight Improvement, OR .....	1,000,000
Interstate 94 from Highway 336 to Barnesville, MN .....	750,000
Interstate 94/43/794, Marquette Interchange, WI .....	2,375,000
Lighting at Exit 400 Off Interstate 55, Lincoln County, MS .....	350,000
Pacific Street Bridge over I-680, NE .....	750,000
Port Road Expansion and Improvements, Houston, Texas .....	500,000
Queen's Medical center H-1 Access Ramp, HI .....	4,000,000
Reconstruction of Two Interchanges on I-235, Wichita, KS .....	500,000
Rhode Island Department of Transportation; I-95 and I-195 Lighting Project, RI .....	1,000,000
Southern Nevada Beltway Interchanges, NV .....	3,000,000
SR-704/I-5 Cross Base Highway, Pierce County, WA .....	1,000,000
Turnpike Improvements Project, DE .....	2,000,000
US 278 Corridor Construction, South Carolina .....	500,000
Widening of I-55 from Church Rd. to TN State Line, Mississippi .....	5,000,000

#### FEDERAL-AID HIGHWAYS PROGRAMS

The roads and bridges that make up our Nation's highway infrastructure are built, operated, and maintained through the joint efforts of Federal, State, and local governments. States have much flexibility to use Federal-aid highway funds to best meet their individual needs and priorities, with FHWA's assistance and oversight.

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU], the highway, highway safety, and transit authorization through fiscal year 2009, makes Federal-aid highways funds available in the following major categories:

*National Highway System [NHS].*—The Intermodal Surface Transportation Efficiency Act [ISTEA] of 1991 authorized the NHS, which was subsequently established as a 161,000 mile road system by the National Highway System Designation Act of 1995. This system serves major population centers, intermodal transportation facilities, international border crossings, and major destinations. The NHS program provides funding for this system consisting of roads that are of primary Federal interest. The NHS consists of the current Interstate, other rural principal arterials, urban freeways and connecting urban principal arterials, and facilities on the Defense Department's designated Strategic Highway Network, and roads connecting the NHS to intermodal facilities. The Federal

share for the NHS program is generally 80 percent, subject to the sliding scale adjustment, with an availability period of 4-years.

*Interstate Maintenance [IM].*—The 46,876 mile Dwight D. Eisenhower National System of Interstate and Defense Highways retains a separate identity within the NHS. The IM program finances projects to rehabilitate, restore, resurface and reconstruct the Interstate system. Reconstruction that increases capacity, other than HOV lanes, is not eligible for IM funds. The Federal share for the IM program is 90 percent, subject to the sliding scale adjustment, and funds are available for 4 years.

*Surface Transportation Program [STP].*—STP is a flexible program that may be used by States and localities for projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. A portion of STP funds are set aside for transportation enhancements and State sub-allocations are provided. The Federal share for STP is generally 80 percent, subject to the sliding scale adjustment, with a 4-year availability period.

*Bridge Replacement and Rehabilitation.*—The bridge program enables States to improve the condition of their bridges through replacement, rehabilitation, and systematic preventive maintenance. The funds are available for use on all bridges, including those on roads functionally classified as rural minor collectors and as local. Bridge program funds have a 4-year period of availability with a Federal share for all projects, except those on the Interstate System, of 80 percent, subject to the sliding scale adjustment. For those bridges on the Interstate System, the Federal share is 90 percent, subject to the sliding scale adjustment. There is a set-aside of \$100,000,000 from the fiscal year 2006–2009 funding for specific projects listed in SAFETEA-LU.

*Congestion Mitigation and Air Quality Improvement Program [CMAQ].*—The CMAQ program directs funds toward transportation projects and programs to help meet and maintain national ambient air quality standards for ozone, carbon monoxide, and particulate matter. A minimum one-half percent of the apportionment is guaranteed to each State.

*Highway Safety Improvement Program [HSIP].*—The new highway infrastructure safety program (previously funded by a set-aside from STP), was established as a core program beginning in 2006. The program, which features strategic safety planning and performance, devotes additional resources and supports innovative approaches to reducing highway fatalities and injuries on all public roads.

*Federal Lands Highways.*—This category funds improvements for forest highways; park roads and parkways; Indian reservation roads; and refuge roads. The Federal lands highway program provides for transportation planning, research, engineering, and construction of highways, roads, parkways, and transit facilities that provide access to or within public lands, national parks, and Indian reservations.

The Committee directs that the funds allocated for this program in this bill and in permanent law are to be derived from the FHWA's public lands discretionary program, and not from funds allocated to the National Park Service's regions.

*Equity Bonus.*—The equity bonus (replaces TEA21’s minimum guarantee) provides additional funds to States to ensure that each State’s total funding from apportioned programs and for High Priority Projects meets certain equity considerations. Each State is guaranteed a minimum rate of return on its share of contributions to the highway account of the Highway Trust Fund, and a minimum increase relative to the average dollar amount of apportionments under TEA21. Certain States will maintain the share of total apportionments they each received during TEA21. An open-ended authorization is provided, ensuring that there will be sufficient funds to meet the objectives of the equity bonus.

*Emergency Relief [ER].*—Section 125 of title 23, United States Code, authorizes \$100,000,000 annually for the ER program. This program provides funds for the repair or reconstruction of Federal-aid highways and bridges and federally owned roads and bridges that have suffered serious damage as the result of natural disasters or catastrophic failures. The ER program supplements the commitment of resources by States, their political subdivisions, or Federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions.

*Ferry Boats and Ferry Terminal Facilities.*—SAFETEA–LU reauthorized funding for the construction of ferry boats and ferry terminal facilities and requires that \$20,000,000 from each of fiscal years 2005 through 2009 be set aside for marine highway systems that are part of the National Highway System for use by the States of Alaska, New Jersey, and Washington.

*National Scenic Byways.*—This program provides funding for roads that are designated by the Secretary of Transportation as All American Roads [AAR] or National Scenic Byways [NSB]. These roads have outstanding scenic, historic, cultural, natural, recreational, and archaeological qualities.

*Transportation and Community and System Preservation [TCSP].*—SAFETEA–LU continues the TCSP program to provide grants to States and local governments for planning, developing, and implementing strategies to integrate transportation and community and system preservation plans and practices. These grants may be used to improve the efficiency of the transportation system; reduce the impacts of transportation on the environment; reduce the need for costly future investments in public infrastructure; and provide efficient access to jobs, services, and centers of trade.

*Transportation Infrastructure Finance and Innovation [TIFIA].*—The TIFIA credit program provides funds to assist in the development of major infrastructure facilities through greater non-Federal and private sector participation, building on public willingness to dedicate future revenues or user fees in order to receive transportation benefits earlier than would be possible under traditional funding techniques. The TIFIA program provides secured loans, loan guarantees, and standby lines of credit that may be drawn upon to supplement project revenues, if needed, during the first 10 years of project operations.

*Appalachian Development Highway System.*—This program makes funds available to construct highways and access roads under section 201 of the Appalachian Regional Development Act of 1965. Under SAFETEA–LU, funding is authorized for each of fiscal

years 2005 through 2009, is available until expended, and is distributed among the 13 eligible States based on the latest available cost-to-complete estimate prepared by the Appalachian Regional Commission.

*High Priority Projects.*—Funds are provided for specific projects identified in SAFETEA-LU. Over 5,000 projects are identified, each with a specified amount of funding over the 5 years of SAFETEA-LU.

*Projects of National and Regional Significance.*—This program provides funding for specific projects of national or regional importance. All the funds authorized for this program from the Highway Trust Fund are designated for projects listed in SAFETEA-LU.

#### FEDERAL-AID HIGHWAYS

##### (LIQUIDATION OF CONTRACT AUTHORIZATION)

##### (HIGHWAY TRUST FUND)

Appropriations, 2006 .....	\$36,032,343,903
Budget estimate, 2007 .....	39,086,464,683
House allowance .....	39,086,464,683
Committee recommendation .....	39,086,464,683

The Committee recommends a liquidating cash appropriation of \$39,086,464,683. The recommended level is equal to the budget request and is necessary to pay outstanding obligations from various highway accounts pursuant to prior appropriations acts.

#### FEDERAL-AID HIGHWAYS

##### (HIGHWAY TRUST FUND)

##### (RESCISSION)

The bill rescinds \$1,500,983,000 of the unobligated balances of funds apportioned to the States under chapter 1 of title 23, United States Code, excluding safety programs and funds set aside within the State for population areas. The Committee directs the FHWA to administer the rescission by allowing each State the maximum flexibility in making adjustments among the apportioned highway programs.

#### APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Appropriations, 2006 .....	\$19,800,000
Budget estimate, 2007 .....	
House allowance .....	
Committee recommendation .....	20,000,000

##### PROGRAM DESCRIPTION

Funding for the Appalachian Development Highway System [ADHS] is authorized under section 1069(y) of the Intermodal Surface Transportation Efficiency Act (Public Law 102-240). The ADHS program provides funds for the construction of the Appalachian corridor highways in the 13 States that comprise the Appalachian region. These highways, in many instances, are intended to replace some of the most deficient and dangerous segments of rural roadway in America.

## COMMITTEE RECOMMENDATION

The Committee recommends \$20,000,000 for corridor H in West Virginia of the Appalachian Development Highway System [ADHS]. The recommended amount is \$200,000 more than the fiscal year 2006 enacted level.

## DELTA REGIONAL TRANSPORTATION DEVELOPMENT PROGRAM

Appropriations, 2006 .....	
Budget estimate, 2007 .....	
House Allowance .....	
Committee recommendation .....	\$20,000,000

## PROGRAM DESCRIPTION

Funding for the Delta Regional Transportation Development Program is authorized under section 1308 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59). The Delta Regional Transportation Development Program provides funds to support and encourage multi-state transportation planning and corridor development, provide for transportation project development, facilitate transportation decisionmaking and support transportation construction in the eight States comprising the Delta Region (Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee).

## COMMITTEE RECOMMENDATION

The Committee recommends \$20,000,000 for the Delta Regional Transportation Development Program. The Committee directs funding be allocated to the following projects that are listed below:

Project name	Committee recommendation
Pemiscot County Port Authority Intermodal Infrastructure, Missouri .....	\$3,900,000
Highway 6 from Batesville to Clarksdale, Mississippi .....	5,000,000
Park Hills and Mineral Area College Outer Road, Missouri .....	1,100,000
Industrial Park By-Pass, MO .....	2,787,000
Route Y Reconstruction Project, MO .....	1,200,000

## ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 120 distributes obligation authority among Federal-aid highway programs.

Section 121 continues a provision that credits funds received by the Bureau of Transportation Statistics to the Federal-aid highways account.

Section 122 includes language that makes certain projects and activities eligible to receive fiscal year 2007 grants.

Section 123. The statement of managers accompanying the fiscal year 2005 appropriations act includes \$2,500,000 from Bridge Discretionary Program funds for the Joachim Avenue Bridge replacement, Missouri (page 1394 of House Report 108–792). This provision would make the funds available for the New South Herculaneum Bridge, Herculaneum, Missouri.

Section 124 recommends that funds made available under this section be designated for the following projects:

## SURFACE TRANSPORTATION PROJECTS

Project name	Committee recommendation
I-225 at Colfax Avenue (US 40) and 17th Avenue in Aurora, Colorado .....	\$2,000,000
I-70 Stapleton Interchange [CO] .....	1,000,000
13th Street/Interstate 22 Ramp Repair and Safety, Pennsylvania .....	1,000,000
21st Century Parks Inc. in Louisville, KY .....	5,400,000
A-B Street Corridor Connector, Auburn, WA .....	1,800,000
Akutan Road construction, AK .....	1,000,000
Allen County SR-309 Safety Improvements and Related Construction, OH .....	1,000,000
American Parkway Project, PA .....	500,000
American St./Girard Ave. Gateway, PA .....	500,000
Aroostook County North-South Highways, ME .....	1,500,000
Ashburton Avenue Reconstruction in Yonkers, NY .....	2,000,000
Battleship New Jersey Access Road (Clinton Street) Repaving, New Jersey .....	750,000
Beltline Road Corridor Study, OR .....	500,000
Bland Street Improvements, MO .....	300,000
Bluffton Parkway Extensions, SC .....	1,000,000
Bob Anthony Parkway, Barnett Reservoir, MS .....	750,000
Booneville Bypass, MS .....	1,000,000
Bossier Parish Congestion Relief Program, Louisiana .....	2,000,000
Bridge Over Brandywine Creek, Pennsylvania .....	1,250,000
Bristol Street Widening, Santa Ana, CA .....	600,000
Burlington Avenue Grade Separated Interchange at US 24, Logansport, Cass County, IN .....	2,000,000
Caraway Bridge Overpass, Arkansas .....	2,000,000
Carson City Freeway-Phase 2, NV .....	3,000,000
CEMAR Urban Trail Project, Iowa .....	500,000
Center City Streetscape Improvement, Missouri .....	1,000,000
Chambers County Bridge Replacement, Alabama .....	200,000
Chittenden County, VT Downtown Revitalization Improvements in Essex Junction and Milton [VT] .....	2,400,000
City of Ashland Main Street Redevelopment Project, MO .....	315,800
City of Herculaneum-Joachim Avenue Bridge Replacement-the new "South Bridge", Missouri .....	2,557,800
City of Pittsburgh Lower Hill Plaza, Pennsylvania .....	1,000,000
City of Scranton East Elm Street Project, Pennsylvania .....	500,000
Clifton Corridor Transit Management Association [CCTMA] .....	1,000,000
Coalfields Expressway, WV .....	5,000,000
Cold Storage Spur Line, Iowa .....	1,500,000
Coldwater River Bridge and Approaches, DeSoto County, MS .....	1,250,000
Colfax Narrows Project, NV .....	1,000,000
College of Southern Idaho Student Safety Initiative, ID .....	800,000
Connecticut Center for Science and Exploration and Capital City Economic Development Authority Construction of Integrated Parking Facilities, CT .....	2,000,000
Construction and Improvements to County Road One (RS-209) south of I-70 to K-32, Leavenworth County, Kansas .....	1,000,000
Construction of I-45 over SH96, Galveston County, Texas .....	1,500,000
Construction of Improvements to 144th Street from "Q" Street to Madison Street, NE .....	1,000,000
Coon Rapids Iowa Area Great Places Trail, IA .....	500,000
County Highway 74/Laraway Road Corridor Improvements, Illinois .....	650,000
Cumberland Avenue Improvements, Tennessee .....	1,000,000
Deer Valley Road Bridge Crossing, Surprise, AZ .....	1,880,000
Delaware State Transportation & Public Safety Traffic Information Exchange Pilot Project, DE .....	1,000,000
Denali Commission, AK .....	4,000,000
Downtown Redevelopment Plan, MO .....	500,000
Durant Main Street/SH 78 Improvements, Oklahoma .....	500,000
East Street Extension Junction City, Kansas .....	1,000,000
East Washington Avenue Reconstruction, WI .....	400,000
El Paso Inner Loop Highway, TX .....	4,000,000
Ellsworth Air Force Base Road Improvement, South Dakota .....	4,750,000
Engineering, design and construction of a Port Access Road connecting to I-26 in North Charleston, SC ....	1,000,000
Extension of arterial roadway, Prineville, Oregon .....	1,000,000
Extension of Highway 57, Jackson County, MS .....	750,000
Falcon Road Improvements—Phase II, Oklahoma .....	1,000,000
Forest Park South Neighborhood Streetscape Improvements, Missouri .....	500,000
Fredericksburg Road/Medical Drive, San Antonio, TX .....	1,000,000
Friant Road Widening, Fresno County, CA .....	1,000,000
Gateway Plan 2030: Inner Loop Highway, El Paso, Texas .....	750,000



## SURFACE TRANSPORTATION PROJECTS—Continued

Project name	Committee recommendation
Glencoe Railroad Congestion Mitigation Project in MN .....	1,000,000
Grand Avenue Underpass, Illinois .....	2,000,000
Grand Lagoon Bridge Replacement, Bay County, Florida .....	1,500,000
Grand Rapids Passenger Rail and Station Relocation, MI .....	2,000,000
Granite Falls Alternate Freight Route, Snohomish County, WA .....	2,000,000
Granite Street Reconstruction Project, NH .....	1,500,000
Grant City Downtown Revitalization, MO .....	500,000
Grant County Economic Development Corridor, Indiana .....	1,000,000
Green Spring Interchange Area Management Plan, OR .....	300,000
Greenville Trail, MO .....	500,000
Haines Road Improvements, AK .....	1,000,000
Hanford Reach National Monument Transportation Infrastructure Improvements, WA .....	1,000,000
Harrisburg Southern Gateway Project, Pennsylvania .....	1,000,000
Heart of America Bicycle/Pedestrian Bridge, MO .....	1,000,000
High Speed Maglev Deployment Program, PA .....	1,500,000
Highway 11, Picayune, MS .....	1,250,000
Highway 19, Neshoba County, MS .....	2,500,000
Highway 412: Springdale Bypass, Arkansas .....	4,000,000
Highway 431 Expansion, Alabama .....	1,000,000
Highway 49/Highway 7 Connector Road, Greenwood, MS .....	1,250,000
Highway 65 North in Dallas County, Missouri .....	1,500,000
Highway 71: Louisiana State Line—DeQueen, Arkansas .....	2,000,000
Highway 79 Four Lane, Blount County, Alabama .....	2,000,000
Highway 965/Fairview Lane/Golfview Drive Intersection Alignment Project, North Liberty, Iowa .....	870,000
Highway Improvement to Highway 54 Near Mexico, MO .....	539,400
Hudiburg Drive Beautification and Improvement, Oklahoma .....	780,000
I-10 Widening in Western Maricopa County, Arizona .....	2,000,000
I-25 & SH 16 Interchange [CO] .....	1,000,000
I-29/52nd Avenue South Interchange Reconstruction in Fargo, North Dakota .....	2,000,000
I-35/Tecumseh Road Transportation Traffic Study, Norman, Oklahoma .....	800,000
I-5/Highway 99W Connector, OR .....	1,000,000
I-5/North Macadam Freeway Ramp & Street Capacity Improvements, OR .....	2,000,000
I-580 Meadow Mall Interchange, NV .....	1,000,000
I-74/Northern Beltway, Eastern Expansion, Forsyth County, NC .....	1,000,000
I-84, Exit 29 (Franklin Road) Local Systems Improvement, ID .....	1,000,000
Idaho Byways Corridor Planning Implementation, ID .....	1,000,000
Interchange Construction at US73 and 20th Street, Leavenworth, KS .....	1,000,000
Interchange Improvements at I-44 & Kansas Expressway, Missouri .....	1,000,000
Interchange Improvements at U.S. 60 and National Avenue, Greene County, MO .....	1,500,000
Intermodal Infrastructure Enhancement Project, Port of Pasco, WA .....	800,000
Interstate 20 South Frontage Road, Warren County, MS .....	1,500,000
Interstate 235 Reconstruction in Des Moines, Iowa—utility work .....	3,750,000
Iowa Highway 32, Southwest Arterial, Dubuque, Iowa .....	1,000,000
Jefferson Park Avenue Pedestrian Crossing, Virginia .....	3,500,000
K-7 Corridor Study from 183rd St to 119th Street in Olathe, KS .....	500,000
Kalispell Bypass, MT .....	4,000,000
King Coal Highway, WV .....	5,000,000
KY 70 Rehabilitation Project in Barren County, KY .....	400,000
Lake Harbour Road, Ridgeland, MS .....	1,250,000
Las Vegas Beltway/Airport Connector Interchange, NV .....	1,000,000
Lawton Downtown Revitalization Project, Oklahoma .....	1,000,000
Lincoln Avenue Grade Separation Project, Port of Tacoma, WA .....	1,500,000
Lincoln South and West Beltway, NE .....	1,000,000
Little Bay Bridges/Spaulding Turnpike, New Hampshire .....	5,000,000
Mahoning County US-224 and Related Connector Road Safety Improvements, OH .....	1,500,000
Manchester East/West Connector Bridge [NH] .....	500,000
Marks Airport Improvements, MS .....	1,000,000
Marshall County Commission Double Bridges, Alabama .....	2,000,000
Marshall County Salt Dome, KY .....	400,000
Martin Bluff Road, Mississippi .....	5,000,000
McIngvale Road Interchange/State Hwy 304, Mississippi .....	5,000,000
MD 404 Upgrades, Maryland .....	4,000,000
Merrimack River Footbridge, Manchester, NH .....	250,000

## SURFACE TRANSPORTATION PROJECTS—Continued

Project name	Committee recommendation
Mingo Wildlife Refuge Recreational Trail & Habitat Improvement, MO .....	800,000
Minnesota Valley Regional Rail Authority Rehabilitation Improvements, Minnesota .....	2,000,000
Mississippi Highway 27, MS .....	500,000
Mississippi Highway 44 Extension/Pearl River Bridge, MS .....	2,000,000
Missouri 58 Highway and Route D Improvements, Cass County, MO .....	1,000,000
MO 740 Stadium Extension to I-70, Missouri .....	3,000,000
Morgan County, WV—Extension of Western Maryland Trail through Paw Paw Bends .....	1,000,000
Natchez Roads, MS .....	1,500,000
Nehemiah Gateway “Ways to Work” Loan Program, DE .....	259,080
New Orleans Regional Redevelopment Planning, LA .....	2,000,000
North Royal Street Improvements, TN .....	1,000,000
North Second Street Corridor, Memphis, Tennessee .....	4,000,000
Northside Drive, Clinton, MS .....	3,750,000
Oelwein Community Revitalization Initiative, Oelwein, Iowa .....	1,000,000
Old Whitfield Road, Pearl, MS .....	2,000,000
Outer Loop, Montgomery, Alabama .....	3,000,000
Paducah Waterfront Development Project in Paducah, Kentucky .....	4,600,000
Patriot Parkway (Southern Bypass), Madison County, Alabama .....	4,700,000
Pecue Lane Interchange and Realignment, Louisiana .....	250,000
Pedestrian Access and Safety Improvements, Oklahoma .....	500,000
Pinnacle Aeropark Access Project, Wayne County, MI .....	2,000,000
Planning Study for Limited Access Highway at Fort Campbell, KY .....	400,000
Port Huron NAFTA Corridor Congestion Mitigation Project, MI .....	1,000,000
Port of Anacortes Infrastructure Improvements, Anacortes, WA .....	1,150,000
Port of Anchorage Intermodal Marine Facility Development, AK .....	1,000,000
Port of Anchorage road improvements, AK .....	1,000,000
Ports-to-Plains Corridor [CO] .....	500,000
Ports-to-Plains Trade Corridor, TX .....	1,000,000
Post Street Centennial Trail and Utility Bridge, Spokane, WA .....	2,000,000
Pyramid Highway Corridor Early Action Items, NV .....	1,000,000
Rails Corridor Alliance, MS .....	750,000
Reconstruction of US-50 in Reno County, KS .....	1,000,000
Reconstruction of US-50, Gray County, KS .....	2,000,000
Relief Route, City of Aztec, New Mexico .....	1,000,000
Resurfacing of Ocean, Post, and Shore Roads, RI .....	1,000,000
Rhode Island Department of Transportation; Post Road Improvements [RI] .....	2,000,000
Rhode Island Department of Transportation; Route 3 Improvements, RI .....	1,000,000
Rhode Island Department of Transportation; Warwick Intermodal Station Sky Bridge and Moving Skywalk Project, RI .....	1,000,000
Rickenbacker Global Logistics Transportation Improvements, OH .....	1,000,000
River Tech Boulevard Road Construction, Illinois .....	1,000,000
Road Improvements and Upgrades to Boyd Boulevard, LaPorte, IN .....	750,000
Route 17 Essex Street Bridge (Bergen County, NJ) .....	2,000,000
Route 29 Boulevard Conversion Project in Trenton, NJ .....	2,000,000
Route 30 Cooper River Drainage Improvements (Camden County, NJ) .....	3,000,000
Sam Chastain Waterfront Trail, Renton, WA .....	1,200,000
SD 11 and SD 42 in Sioux Falls, South Dakota .....	5,000,000
Second Bridge to Oak Island, Brunswick County NC .....	1,000,000
SH 44/104th Ave Improvements [CO] .....	800,000
South Corridor (North Lake Road) of the North Valley Connector Study, Utah .....	750,000
South Lake Union Circulation System, Seattle, WA .....	1,150,000
SR 40 from west of CR 61 to I-95, Camden Co., GA .....	1,000,000
SR 85 Improvements, Crestview, Florida .....	1,000,000
SR1 Beach Area Improvements—Rehoboth Entrance Improvements, DE .....	2,000,000
SR-1 Grade Separated Intersection, DE .....	2,000,000
SR-57 Safety Improvements, Lorain County, OH .....	1,000,000
Stafford County Courthouse Improvement Project, Virginia .....	711,000
State Road 133 from Valdosta to Moultrie to Albany, Georgia .....	1,000,000
Staten Island North/West Shore Rail Plan Study, NY .....	1,400,000
St. Genevieve Main Street/Riverfront Improvement Project, MO .....	1,000,000
Stillwater Avenue Reconstruction Project, Bangor, ME .....	100,000
Street Repair, Greenville, MS .....	1,250,000
Tantalus Drive Stabilization, HI .....	4,000,000

## SURFACE TRANSPORTATION PROJECTS—Continued

Project name	Committee recommendation
Temple Park and Temple Square, MO .....	1,000,000
Tenth Street Connector, Greenville, NC .....	1,000,000
TH 14 from Waseca to Owatonna, MN .....	2,000,000
TH 610 Corridor from TH 169 in Brooklyn Park to I-94 in Maple Grove, MN .....	1,000,000
The Chinatown Plaza and Vicinity Revitalization, Pennsylvania .....	120,000
Thomaston—Route 1 Highway Reconstruction Project, ME .....	2,000,000
Toby Tubby Parkway, MS .....	500,000
Town of Branford Relocation of State Route 794 and Alterations of Approaches of State Route 794 and State Route 146 to Route 1, Connecticut .....	3,000,000
Town of Mansfield Construction of Parking Garage in Storrs Town Center, Connecticut .....	2,000,000
Town of West Haven Development of a Feasibility Study of the Extension of Fresh Meadow Road to Route 34, Connecticut .....	250,000
Transportation Infrastructure Improvements and Expansion for Green River, Wyoming .....	400,000
U.S. 69 and Chuckwa Drive Ramps, Oklahoma .....	475,118
U.S. 82—Downtown Connector Road, Greenwood, MS .....	1,500,000
University of Memphis Southern Railroad Pedestrian Underpass, Tennessee .....	1,000,000
US 12 Improvements from Burbank to Walla Walla, WA, Phase VII .....	1,000,000
US 14 Pierre-Fort Pierre Bridge Rehabilitation, South Dakota .....	1,000,000
US 17 in Beaufort County, NC .....	2,000,000
US 2, Dover Bridge, Bonner County—Idaho .....	1,000,000
US 30 and SR 230/Harrisburg Pike Improvements, PA .....	630,000
US 35 Improvements, West Virginia .....	5,000,000
US 51 Widening, Hernando, MS .....	1,250,000
US 51/SR 43 Connector Road, MS .....	3,250,000
US 63 and Gans Road Interchange, Missouri .....	4,500,000
US 93 Hamilton to Missoula .....	1,000,000
US Highway 11, St. Tammany, Louisiana .....	4,000,000
US Highway 21 from Roaring Gap to Sparta, NC .....	997,000
US Route 1 and SR 452 Improvements, PA .....	500,000
US-2, Dover Bridge, Bonner County, Idaho .....	1,000,000
US-6 Passing Lanes, Emery County, Utah .....	3,000,000
Utah County I-15 Reconstruction Mitigation Strategic Plan: Redwood Road and Lehi 1000 South, Utah .....	2,000,000
Walden Point Road, AK .....	2,250,000
Warrensburg Hwy 13 Bypass, Missouri .....	5,000,000
Warsaw Bridge Replacement, Warsaw, MO .....	200,000
Washington Boulevard Transportation Project, Camanche, Iowa .....	200,000
Wasilla Road improvements, AK .....	750,000
West High Development, MO .....	500,000
West Veterans Boulevard Extension, Auburn, Alabama .....	1,500,000
West Virginia Drive, City of Port St. Lucie, Florida .....	1,000,000
West Virginia Route 2 Improvements, WV .....	9,500,000
Wheeler Peak Drive Road Upgrade, NV .....	1,000,000
WV Route 9 .....	5,000,000
Zora and Main Street Interchange, MO .....	1,200,000

*New Orleans Regional Redevelopment Planning, Louisiana.*—The Committee instructs the grantee for the New Orleans Regional Redevelopment Planning to be coordinated with the New Orleans area foundation.

Section 125 transfers funding from a New Haven, Missouri, project to route 100 and highway 19 improvements.

Section 126 provides requirements for any waiver of Buy American requirements.

## FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

## PROGRAM DESCRIPTION

The Federal Motor Carrier Safety Administration [FMCSA] was established within the Department of Transportation by the Motor Carrier Safety Improvement Act [MCSIA] (Public Law 106–159) in

December 1999. Prior to this legislation, motor carrier safety responsibilities were under the jurisdiction of the Federal Highway Administration.

FMCSA's primary mission is to improve the safety of commercial vehicle operations on our Nation's highways. To accomplish this mission, FMCSA is focused on reducing the number and severity of large truck crashes. FMCSA is responsible for ensuring that Mexican commercial vehicles entering the United States operate in accordance with the North American Free Trade Agreement [NAFTA] and comply with all U.S. hazardous material and safety regulations. In addition, FMCSA oversees compliance with the Federal Motor Carrier Commercial Regulations through increased household goods carrier enforcement, education and outreach.

Agency resources and activities contribute to safety in commercial vehicle operations through enforcement, including the use of stronger enforcement measures against safety violators; expedited safety regulation; technology innovation; improvements in information systems; training; and improvements to commercial driver's license testing, recordkeeping, and sanctions. To accomplish these activities, FMCSA works closely with Federal, State, and local enforcement agencies, the motor carrier industry, highway safety organizations, and individual citizens.

MCSIA and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU] provides funding authorizations for FMCSA's Motor Carrier Safety Operations and Programs and Motor Carrier Safety Grants. Under these authorizations, funding supports FMCSA's expanded scope as authorized by the USA PATRIOT Act, which created new and enhanced security measures. Additionally, funding supports border enforcement and safety-related activities associated with implementation of the NAFTA requirement that Mexican long-haul shippers be allowed to operate within the United States subject to the same safety requirements placed on U.S. carriers.

#### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$517,000,000 for FMCSA in fiscal year 2007, which is equal to the requested amount and \$26,950,000 more than the fiscal year 2006 level.

#### MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

##### (LIQUIDATION OF CONTRACT AUTHORIZATION)

##### (LIMITATION ON OBLIGATIONS)

##### (HIGHWAY TRUST FUND)

Limitation, 2006 .....	\$210,870,000
Budget estimate, 2007 (limitation) .....	223,000,000
House allowance .....	223,000,000
Committee recommendation .....	223,000,000

#### PROGRAM DESCRIPTION

This account provides the necessary resources to support motor carrier safety program activities and maintain the agency's administrative infrastructure. Funding supports nationwide motor carrier

safety and consumer enforcement efforts, including Federal safety enforcement activities at the U.S./Mexico border to ensure that Mexican carriers entering the United States are in compliance with Federal Motor Carrier Safety Regulations. Resources are also provided to fund motor carrier regulatory development and implementation, information management, research and technology, safety education and outreach, and the 24-hour safety and consumer telephone hotline.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation on obligations of \$223,000,000 for FMCSA's Operations and Programs. The recommendation is consistent with SAFETEA-LU authorization levels and is \$12,130,000 more than fiscal year 2006 enacted level.

The bill specifies that \$10,296,000 for the research and technology program is available for obligation until September 30, 2010.

#### OPERATING EXPENSES

The Committee recommends \$151,107,000 for operating expenses.

*State Enforcement of Farm Operations.*—The Committee is concerned about the confusion and the unnecessary burdens imposed on farm operators and State enforcement officials associated with Federal Motor Carrier Safety Administration title 49, Code of Federal Regulations, parts 381–397. Clearly, farmers operating their own equipment to transport their own farm commodities to local markets are intended in many if not most cases to be exempt from the Federal regulatory requirements imposed on commercial operators. In regard to the regulations referenced, the Committee directs the FMCSA to review and provide a report to the Committee within 90 days after the date of enactment of this act outlining: the explicit legal requirements for farm operators and State enforcement officials; the flexibility, waivers and exemptions available to States in enforcing Federal requirements; the conditions related to farm operator compliance that compel the DOT to withhold Motor Carrier Safety Assistance Program assistance to States; and, recommendations on how these Federal requirements may be simplified and made more uniform to avoid unnecessary and unintended confusion and regulatory burdens.

*Household Goods Enforcement.*—The Committee recommends \$1,500,000 for household goods enforcement. The Committee encourages FMCSA to assert its role to enforce Federal laws and regulations with respect to transportation of household goods and to do everything possible to increase the number of investigations against unscrupulous household goods movers.

*Working Capital Fund.*—The Committee recommends \$4,087,000 for the working capital fund. The Committee recommendation is consistent with the budget request and more than a 6 percent increase above the fiscal year 2006 enacted level.

*U.S.-Mexico Cross Border Trucking.*—Section 350 of the fiscal year 2002 Transportation Appropriations Act (Public Law 107–87) mandated that certain safety requirements must be met for Mexican motor carriers to enter the United States. Prior to the enact-

ment of that legislation, on June 27, 2002, the Committee held a joint hearing with the Committee on Commerce, Science and Transportation on cross-border truck and bus operations at the United States-Mexico border. At that hearing, the Department of Transportation's Inspector General pointed out that, despite the fact that FMCSA had issued a rule requiring States to authorize their enforcement personnel to take action when they encounter a vehicle without valid operating authority, only two States had taken the necessary action by the time of that hearing. Today, more than 3 years later, some States have still not provided authorization for their enforcement personnel to take trucks without the proper operating authority out-of-service despite the fact that the FMCSA established a deadline for compliance with this requirement of September 30, 2003.

The Committee is frustrated and dismayed to learn of the slow responsiveness by several States in complying with this Federal requirement. The Committee has tasked the Federal Motor Carrier Safety Administration with carrying out congressional intent on all of the safety requirements established in section 350 of Public Law 107-87 and the implementation of all Federal motor carrier safety regulations. This includes the provision in section 350 requiring that inspectors of Mexican trucks affix a Commercial Vehicle Safety Alliance [CVSA] decal showing that the vehicle meets all necessary requirements. Given the Agency's disappointing results in compelling compliance by the States to the above-cited requirements, the Committee directs the Administrator to redouble her efforts and take whatever steps are necessary to ensure that States come into full compliance with all the safety requirements and intent set forth in section 350.

*Federally Conducted Compliance Reviews.*—The Committee is concerned that the number of federally conducted compliance reviews and enforcement actions have decreased significantly since the new entrant program commenced and directs FMCSA to ensure that it reverses this trend consistent with the objectives and goals of MCSIA. The Committee also directs FMCSA to work closely with the States to promote their continued participation in a vigorous compliance review program. In order to monitor its progress, FMCSA shall provide a report to the House and Senate Committees on Appropriations on the number of completed compliance reviews and new extrant safety audits in conjunction with the Agency's fiscal year 2008 budget request.

#### PROGRAM EXPENSES

The Committee recommends \$70,893,000 for FMCSA's program expenses.

*Research and Technology.*—The Committee recommends \$10,296,000 for research and technology. The recommendation is consistent with the requested amount and \$313,000 more than the fiscal year 2006 enacted level.

*Outreach and Education.*—The Committee recommends \$4,000,000 for the outreach and education program, consistent with the budget request and the fiscal year 2006 enacted level. The Committee reminds FMCSA that data collection and analysis are two of the most important aspects of any program that focuses on

ways to inform and influence behavior. The Committee expects FMCSA to manage the Outreach and Education program with the same performance, data, and analysis-driven focus which the Agency is implementing for the enforcement programs. The Committee directs FMCSA to use funds provided above the budget estimate to continue the outreach program with the goal of enhancing the coordination and effective enforcement of Federal laws and regulations with respect to household goods transportation. The Committee directs FMCSA to develop a process as part of the household goods outreach program for State safety authorities and law enforcement agencies to refer investigations to the appropriate Federal authorities.

*Information Management Program.*—The Committee recommends \$43,175,000 for FMCSA's information management program [IMP], which is consistent with the budget request and \$1,504,000 more than the fiscal year 2006 enacted level.

#### MOTOR CARRIER SAFETY GRANTS

##### (LIQUIDATION OF CONTRACT AUTHORIZATION)

##### (LIMITATION ON OBLIGATIONS)

##### (HIGHWAY TRUST FUND)

##### (INCLUDING TRANSFER OF FUNDS)

	Liquidation of contract authorization	Limitation on obligations
Appropriations, 2006 .....	\$279,180,000	\$279,180,000
Budget estimate, 2007 .....	297,502,000	297,502,000
House allowance .....	294,000,000	294,000,000
Committee recommendation .....	294,000,000	294,000,000

#### PROGRAM DESCRIPTION

This account provides the necessary resources for the Motor Carrier Safety Assistance Program [MCSAP] State grants. Grants will be used to support State compliance reviews; identify and apprehend traffic violators; conduct roadside inspections; and support safety audits on new entrant carriers. Grants are also provided to States for enforcement efforts at both the southern and northern borders to ensure that all points of entry into the United States are fortified with comprehensive safety measures; improvement of State commercial driver's license [CDL] oversight activities to prevent unqualified drivers from being issued CDL's; and the Performance Registration Information Systems and Management [PRISM] program, which links State motor vehicle registration systems with carrier safety data in order to identify unsafe commercial motor carriers.

#### COMMITTEE RECOMMENDATION

##### (LIQUIDATION OF CONTRACT AUTHORIZATION)

The Committee recommends a liquidation of contract authorization of \$294,000,000 for the payment of obligations incurred in carrying out motor carrier safety grant programs. The Committee rec-

ommendation is consistent with the budget estimate and is consistent with the amount of contract authorization for this program under SAFETEA-LU.

(LIMITATION ON OBLIGATIONS)

The Committee recommends a limitation on obligations of \$294,000,000 for motor carrier safety grants. The recommended limitation is consistent with the budget estimate and is consistent with the amount of contract authorization for this program under SAFETEA-LU. The Committee recommendation is \$14,820,000 more than the fiscal year 2006 enacted level. In addition, the Committee recommends the allocation of \$3,502,000 of revenue aligned budget authority [RABA] from the Federal-aid highway program to this account as authorized by SAFETEA-LU. The Committee recommends a separate limitation for each grant program funded under this account with the following funding allocations:

	Amount
Motor carrier safety assistance program [MCSAP] .....	\$197,000,000
Border enforcement grants .....	32,000,000
Performance and registration information system management [PRISM] grants .....	5,000,000
MCSAP RABA .....	3,502,000
Safety Data Improvement .....	3,000,000
CDLIS .....	7,000,000
Commercial driver's license and driver improvement program .....	25,000,000
Commercial vehicle information systems and networks [CVISN] grants .....	25,000,000

MOTOR CARRIER SAFETY

(HIGHWAY TRUST FUND)

(RESCISSION)

The bill rescinds \$27,122,669 in unobligated balances from amounts made available under this heading in prior appropriations acts.

NATIONAL MOTOR CARRIER SAFETY PROGRAM

(HIGHWAY TRUST FUND)

(RESCISSION)

The bill rescinds \$3,419,816 in unobligated balances from amounts made available under this heading in prior appropriations acts.

ADMINISTRATIVE PROVISIONS—FEDERAL MOTOR CARRIER SAFETY  
ADMINISTRATION

Section 130 subjects the funds in this act to section 350 of Public Law 107–87 in order to ensure the safety of all cross-border long haul operations conducted by Mexican-domiciled commercial carriers.

Section 131. SAFETEA-LU includes a provision for the repeal of the Single State Registration System [SSRS] on January 1, 2007, and its replacement with a new Unified Carrier Registration System [UCR]. The Committee, however, believes that a repeal of SSRS is premature given that progress on instituting the UCR has



been insignificant. The current SSRS brings in approximately \$100,000,000 in registration fees to the States that participate in the program, funds that are often used to cover the cost of transportation safety and enforcement programs. For this reason, the Committee includes language that would delay the repeal of SSRS by 12 months, and require the Government Accountability Office to report to the Congress on the progress being made in establishing the UCR.

Section 132. This section makes a correction to Public Law 109-59 regarding the definition of a commercial motor vehicle and regulation of freight forwarders and brokers.

## NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

### PROGRAM DESCRIPTION

The National Highway Traffic Safety Administration [NHTSA] is responsible for motor vehicle safety, highway safety behavioral programs, and the motor vehicle information and automobile fuel economy programs. The Federal Government's regulatory role in motor vehicle and highway safety began in September 1966 with the enactment of the National Traffic and Motor Vehicle Safety Act of 1966 (codified as chapter 301 of title 49, United States Code) and the Highway Safety Act of 1966 (codified as chapter 4 of title 23, United States Code). The National Traffic and Motor Vehicle Safety Act of 1966 instructs the Secretary to reduce traffic crashes and deaths and injuries resulting from traffic crashes; establish motor vehicle safety standards for motor vehicles and motor vehicle equipment in interstate commerce; carry out needed safety research and development; and expand the National Driver Register. The Highway Safety Act of 1966 instructs the Secretary to increase highway safety by providing for a coordinated national highway safety program through financial assistance to the States.

In October 1966, these activities, originally under the jurisdiction of the Department of Commerce, were transferred to the Department of Transportation, to be carried out through the National Traffic Safety Bureau. In March 1970, the National Highway Traffic Safety Administration [NHTSA] was established as a separate organizational entity in the Department. It succeeded the National Highway Safety Bureau, which previously had administered traffic and highway safety functions as an organizational unit of the Federal Highway Administration.

NHTSA's mission was expanded in October 1972 with the enactment of the Motor Vehicle Information and Cost Savings Act (now codified as chapters 321, 323, 325, 327, 329, and 331 of title 49, United States Code). This act as originally enacted, instructs the Secretary to establish low-speed collision bumper standards, consumer information activities, and odometer regulations. Three major amendments to this act have been enacted: (1) a December 1975 amendment directs the Secretary to set and administer mandatory automotive fuel economy standards; (2) an October 1984 amendment directs the Secretary to require certain passenger motor vehicles and their major replacement parts to be marked with identifying numbers or symbols; and (3) an October 1992

amendment directs the Secretary to set and administer automobile content labeling requirements.

NHTSA's current programs are authorized in five major laws: (1) the National Traffic and Motor Vehicle Safety Act (chapter 301 of title 49, United States Code); (2) the Highway Safety Act (chapter 4 of title 23, U.S.C.); (3) the Motor Vehicle Information and Cost Savings Act [MVICSA] (part C of subtitle VI of title 49, United States Code); (4) the National Driver Register Act of 1982; and (5) the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU].

The National Traffic and Motor Vehicle Safety Act provides for the establishment and enforcement of safety standards for vehicles and associated equipment and the conduct of supporting research, including the acquisition of required testing facilities and the operation of the National Driver Register, which was reauthorized by the National Driver Register Act of 1982.

The Highway Safety Act provides for coordinated national highway safety programs (section 402 of title 23, United States Code) to be carried out by the States and for highway safety research, development, and demonstration programs (section 403 of title 23, United States Code). The Anti-Drug Abuse Act of 1988 (Public Law 100-690) authorized a new drunk driving prevention program (section 410 of title 23, United States Code) to make grants to States to implement and enforce drunk driving prevention programs.

SAFETEA-LU, which was enacted on August 10, 2005, either reauthorized or added new authorizations for the full range of NHTSA programs for fiscal years 2005 through 2009.

#### COMMITTEE RECOMMENDATION

The Committee recommendation of \$819,250,000 provides sufficient funding for the National Highway Traffic Safety Administration to maintain current programs and continue the mobilization and paid media initiatives that have proven so effective in increasing safety belt use and impaired driving awareness.

The following table summarizes the Committee recommendations:

Program	Fiscal year—		Committee recommendation
	2006 enacted <sup>1</sup>	2007 estimate	
Operations and research .....	\$230,132,000	\$227,250,000	\$231,500,000
National Driver Register .....	3,960,000	4,000,000	4,000,000
Highway traffic safety grants .....	572,394,000	583,750,000	583,750,000
Total .....	806,486,670	815,000,000	819,250,000

#### OPERATIONS AND RESEARCH

Appropriations, 2006 .....	\$234,092,430
Budget estimate, 2007 .....	227,250,000
House allowance .....	236,450,000
Committee recommendation .....	231,500,000

#### PROGRAM DESCRIPTION

These programs support traffic safety programs and related research, demonstrations, technical assistance, and national leader-

ship for highway safety programs conducted by State and local government, the private sector, universities, research units, and various safety associations and organizations. These highway safety programs emphasize alcohol and drug countermeasures, vehicle occupant protection, traffic law enforcement, emergency medical and trauma care systems, traffic records and licensing, State and community traffic safety evaluations, motorcycle riders, pedestrian and bicycle safety, pupil transportation, distracted and drowsy driving, young and older driver safety programs, and development of improved accident investigation procedures.

#### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$231,500,000 in new budgetary resources, which is \$4,250,000 above the budget request and \$2,592,430 less than the fiscal year 2006 enacted level.

The Committee recommends funds to be distributed to the following program activities in the following amounts:

Program	Committee recommendation
Contract programs:	
Safety performance .....	\$14,905,000
Safety assurance .....	18,277,000
Highway safety .....	50,965,000
Research and analysis .....	65,711,000
General administration .....	673,000
Salaries and benefits .....	75,000,000
Travel .....	1,364,000
Operating expenses .....	22,355,000
Grant administration reimbursement .....	(17,750,000)
Total .....	231,500,000

#### OPERATING EXPENSES

*Budget Documentation.*—The Committee reminds NHTSA that budget request materials submitted to the Congress should not only include explanatory documentation for any proposed budget increases; the budget materials should also describe any proposed decreases to programs from the prior year's funding levels.

The Committee recommends \$5,403,000 for the working capital fund, equal to the budget request.

*Administrative Expenses.*—Section 2001(11) of SAFETEA-LU provides for administrative and related operating expenses for NHTSA carrying out chapter 4 of title 23, United States Code, and for the highway safety title of Public Law 109–59. The Committee recommends \$17,750,000, to NHTSA for administrative expenses associated with administering the highway safety grant programs and related operating expenses.

#### SAFETY PERFORMANCE

*Vehicle Safety Harmonization.*—The Committee recommends \$206,000 for international harmonization activities, an amount equal to the budget request.

*New Car Assessment Program.*—The Committee recommends \$10,500,000 for the New Car Assessment Program [NCAP].

*Tire Pressure Monitoring Systems.*—The TREAD Act included a requirement that the Secretary of Transportation issue a rule mandating new motor vehicles have a warning system to alert operators when a tire is significantly under-inflated. In compliance with this directive, in April of 2005 NHTSA published a final rule that requires Tire Pressure Monitoring Systems [TPMS] to be installed in every new vehicle by model year 2006. NHTSA notes the potential of TPMS in preventing injury, saving lives and improving fuel economy. However, the Committee is concerned that these impacts may be undermined if consumers do not fully understand the technology. Therefore, the Committee provides NHTSA with \$750,000 and directs NHTSA to carry out a consumer education campaign that would assist drivers in understanding new TPMS technologies, their purpose, and the valuable safety information that they provide.

#### HIGHWAY SAFETY PROGRAMS

The Committee recommends funds to be distributed to the following program activities in the following amount:

	Committee recommendation
Impaired Driving .....	\$11,300,000
Drug Impaired Driving .....	1,500,000
Pedestrians/Bicycles .....	1,665,000
Older Drivers .....	500,000
Motorcycles .....	800,000
National Occupant Protection .....	11,224,000
Enforcement and Justice Services .....	2,717,000
Law Enforcement Training .....	(500,000)
Emergency Medical Services .....	4,320,000
Records and Licensing .....	2,660,000
Highway Safety Research .....	11,430,000
Emerging Traffic Safety Issues .....	593,000
NOPUS .....	1,656,000
Enhance 9–1–1 Act Implementation .....	500,000
International Activities .....	100,000
Total .....	50,965,000

*Impaired Driving.*—The Committee recommends \$11,300,000 to support the impaired driving program. This amount is equal to the budget request. These additional funds will allow NHTSA to continue to: (1) promote high visibility law enforcement; (2) educate prosecutors, judges and law enforcement regarding impaired driving and promote specialized or enhanced court systems; (3) develop effective messages and countermeasures to reach high risk groups; and (4) encourage widespread adoption of medical screening and brief intervention for individuals with alcohol abuse problems.

*Judicial and Prosecutorial Awareness.*—The Committee recommends \$1,100,000 for judicial and prosecutorial awareness to expedite the detection, identification and tracking of hard core drunk drivers. The Committee is aware that one of the major factors in alcohol-related crashes is the number of habitual drunk drivers involved in alcohol-related traffic crashes.

The Committee directs NHTSA to work with State and local law enforcement officials, judges, prosecutors and parole officers to as-

sist them in developing strategies that specifically target the removal of habitual drunk drivers from the road.

*Motorcycles.*—NHTSA's budget documents state that motorcycle fatalities have increased for 7 straight years, for a total 89 percent increase since 1997. Helmet use continues to play a role in 40 percent of motorcycle accidents. The Committee recommends \$800,000 for motorcycle program activities, the same as the fiscal year 2006 level.

*National Occupant Protection Program.*—Recent years have seen encouraging increases in safety belt use across the country, reaching 82 percent for 2005.

The Committee continues to urge NHTSA to be vigilant and resourceful in its efforts to not only increase the seat belt rate, but ensure that this vigilance is not overshadowing the overall goal of reducing fatalities in this and every aspect of highway safety. The Committee recommends \$11,224,000 for NHTSA's occupant protection efforts, which is the requested amount.

To supplement NHTSA's overall safety belt effort, the Committee recommends funding to continue the "Click It or Ticket" national public service message program.

*Emergency Medical Services.*—The Committee continues to support the development of a national database to collect EMS data similar to those that exist for fire and police services. The Committee recommends an increase of \$2,000,000 for fiscal year 2007, of which \$1,000,000 is to continue the implementation of the National Emergency Medical Services Information System [NEMISIS] data collection initiative at the National Center for Statistics and Analysis. The Committee views the implementation of NEMISIS, to be extremely important in light of NHTSA's role as Federal coordinator of all EMS systems.

*International Activities.*—The Committee recommends \$100,000 for NHTSA's international activities initiative.

The Committee recommends \$500,000 for necessary expenses of the National Highway Traffic Safety Administration to support the E-911 Implementation Coordination Office, established pursuant to section 104 of Public Law 108-494.

#### RESEARCH AND ANALYSIS

*Biomechanical Research.*—The Committee recommends \$12,500,000 for biomechanics research. The Committee's recommendation includes necessary resources for the continued research of the Crash Injury Research and Engineering Network program.

*Maternal and Fetal Injuries in Vehicle Crashes.*—The Committee has become aware of possible increases in vehicle crashes involving pregnant women. These vehicle crashes put both the expectant mother and fetus at risk, yet little is known of the incident, risks and characteristics of pregnant women in crashes. The Committee directs NHTSA to explore the feasibility of adding a gravid anthropomorphic dummy to its vehicle testing procedures. A Federal standard on a gravid anthropomorphic dummy may help spur the research to improve the crashworthiness of vehicles for pregnant women. NHTSA shall report to the House and Senate Committees on Appropriations within 9 months of enactment of this act

on the number of crashes involving pregnant women and the injuries and fatalities associated with those crashes. Also, the report shall include an assessment of creating a crash test dummy that would measure the injuries to the women and the fetus.

*CIREN Research on Older Drivers.*—The Committee is aware of the growing population of older Americans, which is expected to nearly double by 2030. In recognition of this growth and the different health issues facing older Americans, the Committee directs NHTSA as part of its CIREN program, to collect data that will measure the impact of crashes on older populations and that would assist in the possible development of a crash test dummy representing older occupants. NHTSA is directed to update the Committee on the CIREN program including its efforts related to older drivers.

*Plastic and Composite Vehicles.*—The Committee recognizes the development of plastics and polymer-based composites in the automotive industry and the important role these technologies play in improving and enabling automobile performance. The Committee recommends \$500,000 to continue development of Lightweight Plastic and Composite Intensive Vehicles [PCIV] research to examine possible safety benefits. The program will help facilitate a foundation of cooperation between DOT, the Department of Energy and industry stakeholders for the development of safety-centered approaches for future light-weight automotive design.

*Crash Avoidance and Human Vehicle Performance.*—The Committee includes \$6,750,000 for the crash avoidance and human vehicle performance program as requested in the budget estimate. Within the funds provided, the Committee directs that no less than \$3,000,000 be utilized for the National Advance Driving Simulator.

*Fatality Analysis Reporting System.*—The Committee recommends \$7,063,000 for the Fatality Analysis Reporting System [FARS], equal to the proposed budget request and the fiscal year 2006 enacted base funding.

*FAST FARS.*—The Committee recommends \$1,000,000 for the FAST FARS data collection program. An effective FAST FARS system will permit the agency to analyze the effectiveness of its programs more quickly, thereby improving decision making to better utilize limited safety funding resources.

*Vehicle Crash Causation Study.*—The Committee continues to support the ongoing vehicle crash causation study and provides \$7,000,000, the requested level, for this purpose.

*Hydrogen Fuel Cell and Alternative Fuel Vehicle Safety.*—The Committee strongly supports NHTSA's initiative to address possible safety concerns as hydrogen fuel cell and other alternative fuel cell vehicles are introduced into the Nation's fleet. The fiscal year 2007 budget request, \$925,000, is provided for this purpose.

NATIONAL DRIVER REGISTER  
(LIQUIDATION OF CONTRACT AUTHORIZATION)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)

	Liquidation of contract authorization	Limitation on obligations
Appropriations, 2006 .....	\$4,000,000	\$3,960,000
Budget estimate, 2007 .....	4,000,000	4,000,000
House allowance .....	4,000,000	4,000,000
Committee recommendation .....	4,000,000	4,000,000

PROGRAM DESCRIPTION

This account provides funding to implement and operate the Problem Driver Pointer System [PDPS] and improve traffic safety by assisting State motor vehicle administrators in communicating effectively and efficiently with other States to identify drivers whose licenses have been suspended or revoked for serious traffic offenses such as driving under the influence of alcohol or other drugs.

COMMITTEE RECOMMENDATION

(LIQUIDATION OF CONTRACT AUTHORIZATION)

The Committee recommends a liquidation of contract authorization of \$4,000,000 for payment on obligations incurred in carryout provisions of the National Driver Register Act. The recommended liquidating cash appropriation is equal to the budget estimate and is equal to the fiscal year 2006 enacted level.

LIMITATION ON OBLIGATIONS

The Committee recommends a limitation on obligations of \$4,000,000 for the National Driver Register. The recommended limitation is the same as the budget request and is \$40,000 more than the fiscal year 2006 enacted level.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

	Limitation of contract authorization	Limitation on obligations
Appropriations, 2006 .....	\$578,176,000	\$572,394,000
Budget estimate, 2007 .....	583,750,000	583,750,000
House allowance .....	587,750,000	587,750,000
Committee recommendation .....	583,750,000	583,750,000

PROGRAM DESCRIPTION

SAFETEA-LU reauthorizes three State grant programs: highway safety programs, occupant protection incentive grants, and alcohol-impaired driving countermeasures incentive grants; and authorizes

for the first time an additional five State programs: safety belt performance grants, State traffic safety information systems improvement grants, high visibility enforcement program, child safety and child booster seat safety incentive grants, and motorcyclist safety grants.

The highway safety grant program under section 402 of title 23, United States Code SAFETEA-LU established a new safety belt performance incentive grant program under section 406 of title 23, United States Code; SAFETEA-LU also established a new program of incentive grants under section 408 of title 23, United States Code; SAFETEA-LU amended the alcohol-impaired driving countermeasures incentive grant program authorized by section 410 of title 23, United States Code; SAFETEA-LU establishes a new program to administer at least two high-visibility traffic safety law enforcement campaigns each year to achieve one or both of the following objectives: (1) reduce alcohol-impaired or drug-impaired operation of motor vehicles; and/or (2) increase the use of safety belts by occupants of motor vehicles.

*Motorcyclist Safety.*—Section 2010 of SAFETEA-LU established a new program of incentive grants for motorcycle safety training and motorcyclist awareness programs. Section 2011 of SAFETEA-LU established a new incentive grant program these grants may be used only for child safety seat and child restraint programs.

*Grant Administrative Expenses.*—Section 2001(a)(11) of SAFETEA-LU provides funding for salaries and operating expenses related to the administration of the grants programs and supports the national occupant protection user survey and highway safety research programs.

#### COMMITTEE RECOMMENDATION

##### (LIQUIDATION OF CONTRACT AUTHORIZATION)

The Committee recommends an appropriation for liquidation of contract authorization of \$583,750,000 for payment on obligations incurred in carryout provision of the highway traffic safety grant programs. The Committee recommendation is consistent with the amount of contract authorization for highway traffic safety grant programs under SAFETEA-LU. The recommended liquidating cash appropriation is equal to the budget estimate and \$5,574,000 more than fiscal year 2006 enacted level.

##### (LIMITATION ON OBLIGATIONS)

The Committee recommends a limitation on obligations of \$583,750,000 for the highway traffic safety grant programs funded under this heading. The recommended limitation is equal to the budget estimate and \$11,356,000 more than fiscal year 2006 enacted level.

The Committee continues to recommend prohibiting the use of section 402 funds for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures.

The Committee recommends a separate limitation on obligations for administrative expenses and for each grant program as follows:



	Amount
Administrative expenses .....	\$17,750,000
Highway safety programs (section 402) .....	220,000,000
Occupant protection programs (section 405) .....	25,000,000
Alcohol impaired driving countermeasures incentive grants (section 410) .....	125,000,000
High visibility enforcement program (section 2009) .....	25,000,000
Motorcycle safety (section 2010) .....	6,000,000
State traffic safety information systems improvements (section 412) .....	34,500,000
Child safety and child booster seat safety incentive grants .....	6,000,000
Safety belt performance grants (section 406) .....	124,500,000
Total .....	445,500,000

OPERATIONS AND RESEARCH  
(LIQUIDATION OF CONTRACT AUTHORITY)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)  
(RESCISSION)

The bill rescinds \$6,772,751 in unobligated balances from amounts made available under this heading in prior appropriations acts.

NATIONAL DRIVER REGISTER  
(LIQUIDATION OF CONTRACT AUTHORITY)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)  
(RESCISSION)

The bill rescinds \$8,553 in unobligated balances from amounts made available under this heading in prior appropriations acts.

HIGHWAY TRAFFIC SAFETY GRANTS  
(LIQUIDATION OF CONTRACT AUTHORITY)  
(LIMITATION ON OBLIGATIONS)  
(HIGHWAY TRUST FUND)  
(RESCISSION)

The bill rescinds \$5,646,863 in unobligated balances from amounts made available under this heading in prior appropriations acts.

ADMINISTRATIVE PROVISIONS—NATIONAL HIGHWAY TRAFFIC SAFETY  
ADMINISTRATION

Section 140 includes a provision to allows the Secretary to transfer funds in any fiscal year provided for administrative expenses for the National Highway Traffic Safety Administration's National Driver Register, under section 2001(a)(7) of Public Law 109–59, and for the agency's administrative and related operating expenses, under section 2001(a)(11) of Public Law 109–59, to the "Operations

and Research” account and the “Operations and Research, Limitations on Obligations, Highway Trust Fund” account.”

Section 141 requires the Secretary of Transportation to submit a report to Congress describing the feasibility and marginal production costs of making all new passenger automobiles and light trucks sold in the United States capable of using a flexible fuel mixture.

#### FEDERAL RAILROAD ADMINISTRATION

The Federal Railroad Administration [FRA] became an operating administration within the Department of Transportation on April 1, 1967. It incorporated the Bureau of Railroad Safety from the Interstate Commerce Commission, the Office of High Speed Ground Transportation from the Department of Commerce, and the Alaska Railroad from the Department of the Interior. The Federal Railroad Administration is responsible for planning, developing, and administering programs to achieve safe operating and mechanical practices in the railroad industry. Grants to the National Railroad Passenger Corporation (Amtrak) and other financial assistance programs to rehabilitate and improve the railroad industry’s physical infrastructure are also administered by the Federal Railroad Administration.

#### SAFETY AND OPERATIONS

Appropriations, 2006 .....	\$144,490,000
Budget estimate, 2007 .....	150,578,000
House allowance .....	150,153,000
Committee recommendation .....	150,578,000

#### PROGRAM DESCRIPTION

The Safety and Operations account provides support for FRA rail safety activities and all other administrative and operating activities related to staff and programs.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$150,578,000 for Safety and Operations for fiscal year 2007, which is consistent with the budget request and \$6,088,000 more than the fiscal year 2006 enacted level. Of this amount the bill specifies that, \$13,870,890 remains available until expended.

#### RAILROAD RESEARCH AND DEVELOPMENT

Appropriations, 2006 .....	\$54,524,000
Budget estimate, 2007 .....	34,650,000
House allowance .....	
Committee recommendation .....	34,650,000

#### PROGRAM DESCRIPTION

Railroad Research and Development provides for research in the development of safety and performance standards for railroads and the evaluation of their role in the Nation’s transportation infrastructure.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$34,650,000 for railroad research and development, which is the same as the budget request and \$19,874,000 less than the fiscal year 2006 enacted level.

Within the amount provided, the Committee recommends:

\$250,000 for the Constructed Facilities Center at West Virginia University to develop manufactured modules using innovative manufacturing techniques, advanced blast resistant materials and structural systems, and embedded modern sensors;

\$750,000 for Marshall University, in cooperation with the University of Nebraska, to develop a new track stability technology using the actual rail lines in the states as the calibration test beds; and

\$500,000 for the Las Vegas-Los Angeles High Speed Rail Study to conduct the conceptual engineering and capacity modeling for multi-frequency passenger rail service between Las Vegas and Los Angeles.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION  
(AMTRAK)

Appropriations, 2006 .....	\$1,293,633,000
Budget estimate, 2007 <sup>1</sup> .....	900,000,000
House allowance .....	900,000,000
Committee recommendation .....	1,400,000,000

<sup>1</sup>Funds to be available for transfer to the Surface Transportation Board for directed service of commuter rail obligations.

## PROGRAM DESCRIPTION

The National Railroad Passenger Corporation (Amtrak) is a for-profit corporation that operates intercity passenger rail services in 46 States and the District of Columbia, in addition to serving as a contractor in various capacities for several commuter rail agencies. Congress created Amtrak in the Rail Passenger Service Act of 1970 (Public Law 91-518) in response to private carriers' inability to profitably operate intercity passenger rail service due a steady decline in ridership that began in the 1920's. Thereafter, Amtrak assumed the common carrier obligations of the private railroads in exchange for the right to priority access of their tracks for incremental cost.

## COMMITTEE RECOMMENDATION

CAPITAL GRANTS FOR THE NATIONAL RAILROAD PASSENGER  
CORPORATION

The Committee recommends \$750,000,000 for capital grants to Amtrak. Of this amount, no more than \$295,000,000 is available for debt service payments. The Committee is concerned about the safety and efficiency of the Nation's passenger rail system and has provided the funds needed to ensure Amtrak's major capital needs are met. The Committee continues to believe that providing funds in the forms of grants for Amtrak's capital needs ensures greater oversight and more optimal use of taxpayers' resources.

Because the Committee is concerned about the uncertainty of what benchmarks must be reached to achieve a systemwide state-of-good repair, the Committee has included a new provision allowing the Federal Railroad Administration to retain up to one-quarter of 1 percent of Amtrak's capital subsidy to provide meaningful oversight to Amtrak's major capital investments. Amtrak has begun to undertake projects that are significant in size and cost, such as the replacement of the bridges across the Thames and Niantic Rivers in Connecticut and the ventilation towers for the Hudson and East River tunnels in New York and New Jersey. Moreover, as the failure of Amtrak's electrification system between New York City and Washington, DC, on May 25 of this year demonstrated, the lack of action on Amtrak's major capital assets has the potential for adversely affecting transportation over a wide region.

While the FRA has assumed the responsibility of providing annual capital grants to Amtrak, the FRA has yet to possess the resources necessary to provide meaningful oversight of major capital investments. As an example, FRA does not have the resources to review independently the design and cost estimates for the new bridges, to assess whether the bridges have been built according to design, or to review and, if necessary, recommend corrective measures if the bridge fabrication and construction begins to exceed estimates and schedules. Indeed, FRA's oversight is limited to reviewing reports on project progress from Amtrak's engineering and mechanical departments except where FRA's limited staff might have expertise in a specific area that coincides with a capital project. The Federal Transit Administration performs its oversight of major projects through Project Management Oversight consultants. The Committee believes that FRA should use a similar approach. While the amount provided for this purpose is modest in absolute terms, it should be adequate to initiate the oversight program and for FRA to review those large projects important for maintaining or improving safety and operational reliability where there may be significant risk in achieving the expected cost, schedule or scope of the project. It is expected that with this enhanced ability that FRA will report to the House and Senate Committees on Appropriations on a regular basis on the state of Amtrak's capital program.

The Committee remains concerned about the significant costs associated with Amtrak's food and beverage and first-class services. While Amtrak has shown commendable progress in its efforts to reform these services, the Committee believes that further oversight and accountability is needed. The Committee has included a provision that prohibits the Secretary of Transportation from approving any capital grant request that proposes spending funds on the retrofitting, refurbishing or maintenance of equipment or facilities used for food and beverage or sleeper class services unless the proposed plans comply with the stated goal of eliminating Federal subsidies for these services by 2011. While Amtrak's services meet basic mobility needs, the Committee does not believe that Federal subsidies should be directed toward the enhancement of services and amenities that only add to Amtrak's operational losses.

As Amtrak itself has noted, Amtrak's equipment and infrastructure require significant investment to achieve a state-of-good re-

pair. Amtrak has, on repeated occasions, diverted funds needed for capital investments to cover operational losses. This has had the effect of leaving Amtrak's system in a less than optimal state. While the Committee has pressed both Amtrak and the Department of Transportation to provide a detailed and prioritized list of needs to return Amtrak's infrastructure to a state-of-good repair, both entities have either been unable or unwilling to do so. The administration's capital grant request for Amtrak for fiscal year 2007 is \$500,000,000, but it remains unclear what this number will achieve in restoring Amtrak's system to the necessary state-of-good repair. If the Committee were better able to discern what projects could be funded with more resources, it would be better positioned to justify the provision of such resources. The Committee has, therefore, included provisions mandating that the administration's budget submission for fiscal year 2008 include a detailed capital investment plan that prioritizes and provides cost estimates for capital projects necessary to achieve safe, efficient, and timely intercity passenger rail service. This plan should incorporate input from the States and railroads where Amtrak provides services or its infrastructure is used detailing what investments are necessary to ensure timely and safe transportation services. The Committee believes that such a plan will better enable Congress, Amtrak, and the administration to chart a future path for Amtrak and to more strategically provide for Amtrak's many capital needs.

#### EFFICIENCY INCENTIVE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Despite the lack of action on a comprehensive reauthorization of Amtrak, the Committee notes that there are signs that Amtrak is making some progress in addressing the significant imbalance between its operating expenses and revenues. The Committee is pleased with reports of savings and other efficiencies achieved through the reforms contained in the fiscal year 2006 Transportation appropriations act directing savings through operating efficiencies, including, but not limited to, modifications to food and beverage service and first-class service. Amtrak also has improved its accounting and its capital project management and reporting. It has renewed focus on improving on-time performance on the Northeast Corridor that is resulting in measurable improvements. Amtrak is implementing a consistent approach to seeking compensation from States for service largely within one State modeled after what States on the Pacific Coast have been doing for years and Amtrak has initiated a review of the future of its long distance service. All of these initiatives are positive signs. While most of these reforms can be found in directives from this Committee or conditions in Amtrak's grant agreement with FRA, the Amtrak Board, and Amtrak's current management deserve credit for serving as instruments and advocates of needed change.

Despite the concerns stated previously, the Committee is pleased that Amtrak has implemented strategic initiatives in 15 areas including: a plan for restructuring its food and beverage service and dining and lounge car operations over several years; adopting a reliability-centered maintenance approach to increase fleet maintenance efficiencies; consolidating maintenance facilities and reduc-

ing maintenance overtime; outsourcing and reducing staff at stations; improving fuel efficiency; renegotiating labor agreements to eliminate outsourcing and work rule restrictions; and reducing outside legal fees. While Amtrak is making positive steps toward reforms, the Committee remains concerned that other initiatives such as restructuring long-distance train services, improving financial management systems, and improving service reliability on the Northeast Corridor are only in the beginning of the planning stage, and that many of the initiatives have not yet translated into any meaningful way of improving Amtrak's bottom line.

The Committee remains interested in making sure that Amtrak is fully addressing reform opportunities and meeting benchmarked goals that are sustainable over the long term on food and beverage reforms, sleeper car and long distance service in particular. Amtrak continues to require a significant claim on the discretionary Federal financial resources available for transportation and places significant stress on this Committee in finding sufficient resources to keep Amtrak running. For this reason, the Committee will continue to insist on reform initiatives with timelines and set benchmarked goals so that the Committee will know with some degree of confidence that the Federal taxpayer's funds, regardless of the amount, provides a high quality product in a cost-effective manner.

The most glaring examples of the failure of Amtrak to serve as an effective steward of the taxpayer's investments are in the areas of food and beverage service and first-class service. Both the Amtrak Inspector General and the Department of Transportation Inspector General have singled out these functions as primary examples of misplaced priorities in the use of the financial resources available to the Corporation. In fiscal year 2006, Amtrak's losses on food and beverage service will equal over 10 percent of Amtrak's total subsidy and over 20 percent of its operating subsidy. Amtrak loses even more on its first-class service.

While the Committee believes there is a role for Federal subsidies on intercity passenger rail service, in particular for capital investment, it cannot accept the concept that the Federal taxpayers should pay for the cost of dinner and drinks on the train or of first-class accommodations. Indeed, 49 U.S.C. 305(c)(4) authorizes Amtrak to "provide food and beverage service on its trains only if the revenues from the services each year at least equal the cost of providing the service." This statutory requirement seems to have been ignored by Amtrak. The Committee recognizes that passengers on trains, particularly those trains that operate on extended schedules, need food. This does not mean that the food and beverage or the first-class accommodations should receive a Federal subsidy. The Committee notes that Amtrak has begun initiatives for improving the financial performance of food and beverage and first-class services—initiatives that the Committee wants to nurture. Indeed, the history of Amtrak is replete with initiatives that have been forgotten or ignored because the attention of management, Amtrak's Board of Directors, the Department of Transportation, and the Congress have been diverted to other issues. Thus, this year, the Committee wishes to build upon Amtrak's early work by requiring that Amtrak develop realistic plans with meaningful milestones to eliminate the Federal subsidies of these services over

the next 5 years. Amtrak is directed to reduce the net Federal subsidy of food and beverage service and sleeper/first-class service in fiscal year 2007 by 20 percent over the level of subsidy, including that attributable to the operation and maintenance of equipment and facilities solely used for these services, in fiscal year 2005. The Committee requests that Amtrak's Inspector General provide the Senate and House Appropriations Committees with regular reports on Amtrak's performance.

To better understand the cost effectiveness of Amtrak today, the Committee directs FRA, in consultation with Amtrak, Amtrak's Inspector General, the Government Accountability Office, and such other entities that the Administrator deems appropriate, to develop a set of metrics for important functions performed by Amtrak, be they important from a safety or operational perspective or important because these functions consume a large amount of Amtrak's financial resources. FRA and Amtrak will then identify how Amtrak and corporations and/or public agencies with functions similar to Amtrak, performed against these metrics in fiscal year 2006 or the most recent year in which data are available. Amtrak will include in its quarterly reports updates of its performance against these metrics.

Another approach to determining the extent to which the quality and cost of providing intercity passenger rail service can be improved is to determine whether an entity other than Amtrak can provide such services more efficiently and effectively. While there has been an ongoing debate over whether others could do better than Amtrak, there has yet to be an effective test. This issue certainly resonates with the States that provide financial support for intercity passenger rail service. Amtrak's de facto monopoly limits any incentive on Amtrak's part to control costs or enhance the quality of its operation, and States must pay whatever Amtrak demands. The Committee believes that, in the absence of reauthorization legislation, an appropriate interim measure to determine the feasibility of a State assuming greater responsibility over intercity passenger rail would be a pilot program to determine whether a State can reduce its costs and, thus, reduce the Federal operating subsidy while maintaining or improving service quality. This will be achieved by enabling a State to assume responsibility for part or all of the functions that the State presently pays Amtrak to do.

The Secretary of Transportation is directed to require Amtrak to conduct a pilot program under which a State would assume the financial responsibility for a train, route or corridor that the State either presently subsidizes or has committed to subsidize. The State would receive 75 percent of the current fully allocated operating loss, which effectively is the Federal subsidy of the service in the first year and 50 percent in the second and third years. Thus, this pilot would not only yield information on the potential long-term benefits of States assuming responsibility for trains they deem important, it offers some reduction in the Federal operating subsidy needs in the short term. This pilot would be implemented as a contract between a State and Amtrak. The State would use established State procedures to arrange for another entity or entities to provide those functions the State wishes to assume. Amtrak would make whatever other services, equipment, facilities, includ-

ing crew where incorporated into a State's plan, available to the State at a cost that covers Amtrak's expenses. The Secretary would effectively oversee Amtrak's implementation of this provision. Amtrak and the State should reach an agreement through amicable negotiations. The Secretary would also be charged with keeping the process moving and, where the State and Amtrak could not reach agreement, serve to resolve such issues as the appropriate terms and conditions for the use of Amtrak-controlled equipment.

*On-Time Performance of Amtrak Long Distance Trains.*—The Committee is greatly dismayed with Amtrak's deteriorating on-time performance outside of the Northeast Corridor. Such delays, frequently longer than 3 or 4 hours, undermine Amtrak's ability to attract repeat customers. Outside of the Northeast corridor, Amtrak trains are dispatched by the freight railroads over whose territory they operate. Under section 24308(c) of title 49 of the United States Code, Amtrak trains have "preference over freight transportation in using a rail line, junction, or crossing" unless the Secretary of Transportation provides a specific exemption to this law. For this reason, the Committee directs the DOT Inspector General to investigate the root causes of Amtrak delays and compliance with the above cited subsection of title 49. The report shall investigate all pertinent issues regarding practices in dispatching trains and delays in maintaining track used by Amtrak.

*The Railroad Rehabilitation and Improvement Financing [RRIF].*—The RRIF program was established by Public Law 109–178 to provide direct loans and loan guarantees to State and local governments, government-sponsored entities, or railroads. Credit assistance under the program may be used for rehabilitating or developing rail equipment and facilities. SAFETEA–LU expanded the authority under the RRIF program; currently, the unpaid principal amounts of the obligations may not exceed \$35,000,000,000 at any one time. Of this total, not less than \$7,000,000,000 is reserved for projects benefiting freight railroads other than class I carriers. No Federal appropriation is required to implement the program because a non-Federal partner may contribute the subsidy amount required by the Credit Reform Act of 1990 in the form of a credit risk premium. The Committee continues bill language specifying that no new direct loans or loan guarantee commitments may be made using Federal funds for the payment of any credit premium amount during fiscal year 2007.

#### ADMINISTRATIVE PROVISIONS

Section 150 allows DOT to purchase promotional items of nominal value for use in certain outreach activities.

Section 151 prohibits funds for the National Railroad Passenger Corporation from being available if the Corporation contracts for services at or from any location outside of the United States which were, as of July 1, 2006, performed by a full-time or part-time Amtrak employee within the United States.

#### FEDERAL TRANSIT ADMINISTRATION

The Federal Transit Administration was established as a component of the Department of Transportation by Reorganization Plan



No. 2 of 1968, effective July 1, 1968, which transferred most of the functions and programs under the Federal Transit Act of 1964, as amended (78 Stat. 302; 49 U.S.C. 1601 et seq.), from the Department of Housing and Urban Development. The missions of the Federal Transit Administration are: to assist in the development of improved mass transportation facilities, equipment, techniques, and methods; to encourage the planning and establishment of urban and rural transportation services needed for economical and desirable development; to provide mobility for transit dependents in both metropolitan and rural areas; to maximize the productivity and efficiency of transportation systems; and to provide assistance to State and local governments and their instrumentalities in financing such services and systems.

The programs funded by the FTA are contained in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users [SAFETEA-LU], Public Law 109-59. The budget request follows a new account structure, established under SAFETEA-LU, which consists of four major accounts, three of which are general funded—Administrative Expenses, Research, and University Research Centers, and Capital Investment Grants. The fourth, Formula and Bus Grants, is funded solely from the Mass Transit Account of the Highway Trust Fund.

The following table summarizes the Committee's recommendations compared to fiscal year 2006 and the administration's request:

Program	2006 enacted	2007 estimate	2007 House allowance	Committee recommendation
Administrative expenses .....	\$79,200,000	\$85,000,000	\$85,000,000	\$85,000,000
Formula and bus grants .....	6,910,132,000	7,262,775,000	7,262,775,000	7,262,775,000
Research and University Research Centers .....	75,200,000	61,000,000	61,000,000	61,000,000
Capital investment grants .....	1,440,681,660	1,466,000,000	1,566,000,000	1,466,000,000

#### ADMINISTRATIVE EXPENSES

Appropriations, 2006 .....	\$79,200,000
Budget estimate, 2007 .....	85,000,000
House allowance .....	85,000,000
Committee recommendation .....	85,000,000

#### PROGRAM DESCRIPTION

Administrative expenses funds personnel, contract resources, information technology, space management, travel, training, and other administrative expenses necessary to carry out its mission to promote public transportation systems.

#### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$85,000,000 for the agency's salaries and administrative expenses. The recommended level of funding is \$5,800,000 more than the fiscal year 2006 enacted level.

The specific levels of funding recommended by the Committee are as follows:

	Committee recommendation
Office of the Administrator .....	\$1,063,353
Office of Administration .....	7,653,698
Office of Chief Counsel .....	4,272,759
Office of Communications and Congressional Affairs .....	1,394,111
Office of Program Management (including the Office of Safety and Security) .....	8,403,493
Office of Budget and Policy .....	9,258,714
Office of Research, Demonstration, and Innovation .....	4,876,078
Office of Civil Rights .....	3,272,077
Office of Planning .....	4,717,764
Regional offices .....	22,419,998
Central Account .....	17,667,955
Total .....	85,000,000

The Committee recommendation includes language authorizing the Administrator to transfer funding between offices. Any transfers totaling more than 5 percent of the initial appropriation from this account must be approved by the House and Senate Committees on Appropriations through the same process used for re-programming funds.

*Budget Justifications.*—The FTA is directed to submit its fiscal year 2008 congressional justification for administrative expenses by office, with material detailing salaries and expenses, staffing increases, and programmatic initiatives of each office.

*Project Management Oversight Activities.*—The Committee directs FTA to continue to submit to the House and Senate Committees on Appropriations the quarterly FMO and PMO reports for each project with a full funding grant agreement.

To further support oversight activities, the bill continues a provision requiring FTA to reimburse the DOT Office of Inspector General [OIG] \$2,000,000 for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems. This reimbursement must come from funds available for the execution of contracts. Over the past several years, the OIG has provided critical oversight of a number transit projects and FTA activities, which the Committee has found invaluable. The Committee anticipates that the Inspector General will continue such activities in fiscal year 2007.

*Full Funding Grant Agreements [FFGAs].*—TEA21, as amended, requires that FTA notify the House and Senate Committees on Appropriations, as well as the House Committee on Transportation and Infrastructure and the Senate Committee on Banking, 60 days before executing a full funding grant agreement. In its notification to the House and Senate Committees on Appropriations, the Committee directs FTA to submit the following information: (1) a copy of the proposed full funding grant agreement; (2) the total and annual Federal appropriations required for the project; (3) the yearly and total Federal appropriations that can be planned or anticipated for future FFGAs for each fiscal year through 2008; (4) a detailed analysis of annual commitments for current and anticipated FFGAs against the program authorization, by individual project; (5) an evaluation of whether the alternatives analysis made by the applicant fully assessed all the viable alternatives; (6) a financial analysis of the project's cost and sponsor's ability to finance the project, which shall be conducted by an independent examiner and

which shall include an assessment of the capital cost estimate and finance plan; (7) the source and security of all public and private sector financing; (8) the project's operating plan, which enumerates the project's future revenue and ridership forecasts; and (9) a listing of all planned contingencies and possible risks associated with the project.

The Committee also directs FTA to inform the House and Senate Committees on Appropriations in writing 30 days before approving schedule, scope, or budget changes to any full funding grant agreement. Correspondence relating to all changes shall include any budget revisions or program changes that materially alter the project as originally stipulated in the FFGA, including any proposed change in rail car procurement.

The Committee directs FTA to continue to provide a monthly new start project update to the House and Senate Committees on Appropriations, detailing the status of each project. This update should include FTA's plans and specific milestone schedules for advancing projects, especially those within 2 years of a proposed full funding grant agreement. In addition, FTA should notify the Committees 10 days before any project in the new starts process is given approval by FTA to advance to preliminary engineering or final design.

FORMULA AND BUS GRANTS  
(LIQUIDATION OF CONTRACT AUTHORITY)  
(LIMITATION ON OBLIGATIONS)  
(INCLUDING RESCISSION)

	Trust fund
Appropriations, 2006 .....	\$6,910,131,690
Budget estimate, 2007 .....	7,262,775,000
House allowance .....	7,262,775,000
Committee recommendation .....	7,262,775,000

PROGRAM DESCRIPTION

As proposed in the budget, Formula and Bus Grants includes the following programs: urbanized area formula grants; clean fuels formula grants; formula grants for special needs of elderly individuals and individuals with disabilities; formula grants for non-urbanized areas; job access and reverse commute grants; new freedom grants; growing States and high density States grants; bus and bus facility grants; rail modernization grants; alternatives analysis; alternative transportation in parks and public lands; and the national transit database. In addition, set-asides from formula funds are directed to a grant program for intercity bus operators to finance Americans with Disabilities Act accessibility costs.

COMMITTEE RECOMMENDATION

The Committee recommends \$7,262,775,000 for transit formula and bus grants from a limitation on obligations from the mass transit account of the highway trust fund. The recommendation is

\$352,643,310 more than the fiscal year 2006 enacted level. This account includes a rescission of \$28,660,920.

The Committee recommendation maintains the set-aside for project oversight in current law instead of providing an increase for program management of formula funds, as requested. The Committee distributes the total level of funding among the formula categories as follows:

	Amount
Urbanized Area Formula .....	\$3,947,144,400
Over-the-road Bus Program .....	7,600,000
Elderly & Persons with Disabilities .....	117,000,000
Nonurbanized Area Formula .....	467,030,600
Bus and Bus Facility .....	900,500,000
Fixed Guideway Modernization .....	1,448,000,000
Job Access and Reverse Commute .....	144,000,000
New Freedom .....	81,000,000
National Transit Database .....	3,500,000
Planning Programs .....	99,000,000
Alternatives Analysis .....	25,000,000
Alternative Transportation in Parks and Public Lands .....	23,000,000

Section 3009 of SAFETEA-LU amends U.S.C. 5307, urbanized formula grants, by providing for a phase-out of operating eligibility for urbanized areas which crossed over 200,000 in population for the first time in the 2000 census, but continues to allow the Secretary to make operating grants to urbanized areas with a population of less than 200,000. Generally, urbanized formula grants may be used to fund capital projects and to finance the planning and improvement costs of equipment, facilities, and associated capital maintenance used in mass transportation. All urbanized areas greater than 200,000 in population are statutorily required to use 1 percent of their annual formula grants on enhancements, which include landscaping, public art, bicycle storage, and connections to parks.

Formula and Bus funds can be used for all transit purposes, including planning, bus and railcar purchases, facility repair and construction, maintenance and, where eligible, operating expenses. These funds help transit systems alleviate congestion, ensure basic mobility, promote economically vibrant communities, and meet the requirements of the Americans with Disabilities Act [ADA] and the Clean Air Act [CAA].

The following table displays the State-by-State distribution of the formula program funds within each of the program categories:

FEDERAL TRANSIT ADMINISTRATION ESTIMATED FISCAL YEAR 2007 APPORTIONMENTS FOR FORMULA GRANTS PROGRAMS (BY STATE)

State	Section 5307 and 5340 Urbanized Area	Section 5311 and 5340 Non-urbanized Area	Section 5310 Special Needs for Elderly and Individuals with Disabilities	Job Access and Reverse Commute	New Freedom	State Total
Alabama	\$17,757,310	\$11,531,981	\$2,031,112	\$2,520,454	\$1,341,689	\$35,182,547
Alaska	22,435,680	5,287,400	275,749	218,712	109,127	28,326,668
American Samoa		198,128	63,190	86,638	18,116	366,072
Arizona	53,233,301	8,224,361	2,122,529	2,789,071	1,428,548	67,797,810
Arkansas	8,732,695	8,801,078	1,308,042	1,482,182	761,051	21,085,048
California	637,409,387	20,178,894	12,367,520	20,630,436	10,147,556	700,733,794
Colorado	53,882,757	7,265,712	1,478,187	1,760,887	1,110,096	65,497,638
Connecticut	65,239,473	2,372,431	1,437,179	1,186,944	1,097,915	71,333,943
Delaware	10,144,567	1,101,096	423,082	278,186	216,349	12,163,280
District of Columbia	72,816,544		365,619	399,650	242,935	73,824,748
Florida	188,812,559	11,938,051	7,890,887	8,740,426	5,440,473	222,822,396
Georgia	73,598,292	14,854,892	2,962,922	3,927,882	2,458,689	97,802,378
Guam		535,533	167,134	86,754	53,757	843,178
Hawaii	25,300,938	1,718,384	584,095	481,097	303,970	28,388,484
Idaho	6,315,238	5,072,764	557,451	663,139	322,397	12,930,988
Illinois	232,616,115	12,367,244	4,571,851	5,314,858	3,607,918	238,477,986
Indiana	39,176,416	11,845,248	2,408,422	2,428,364	1,634,380	57,492,831
Iowa	14,900,302	8,813,714	1,243,967	1,090,305	693,372	26,741,660
Kansas	10,984,546	8,174,258	1,115,566	977,774	601,609	21,853,754
Kentucky	19,618,629	11,172,945	1,872,803	1,943,690	931,398	35,539,465
Louisiana	31,708,912	8,971,607	1,864,585	3,044,744	1,339,953	46,929,801
Maine	3,838,677	4,761,201	658,535	532,282	309,363	10,100,059
Maryland	101,139,169	4,367,070	1,982,154	1,869,988	1,566,055	110,924,436
Massachusetts	166,641,644	3,038,777	2,630,547	2,450,968	1,948,572	176,710,508
Michigan	72,595,701	15,131,932	3,803,866	4,194,169	2,894,852	98,620,521
Minnesota	47,111,756	11,117,462	1,747,510	1,490,649	997,847	62,465,224
Mississippi	5,508,784	10,069,922	1,311,767	1,536,366	715,108	19,141,947
Missouri	40,647,314	12,058,993	2,300,287	2,354,038	1,385,899	58,746,531
Montana	2,820,380	6,552,507	464,254	480,936	225,706	10,543,783
N. Mariana Islands	696,764	30,507	64,379	132,766	58,007	982,423
Nebraska	8,946,243	5,713,026	741,458	591,960	327,216	16,319,903
Nevada	25,879,336	4,292,814	905,448	903,751	553,501	32,534,850
New Hampshire	5,448,721	3,070,213	560,176	371,486	363,503	9,814,099
New Jersey	280,684,486	2,846,191	3,344,865	2,992,052	2,549,253	292,416,847

## FEDERAL TRANSIT ADMINISTRATION ESTIMATED FISCAL YEAR 2007 APPORTIONMENTS FOR FORMULA GRANTS PROGRAMS (BY STATE)—Continued

State	Section 5307 and 5340 Urbanized Area	Section 5311 and 5340 Non-urbanized Area	Section 5310 Special Needs for Elderly and Individuals with Dis- abilities	Job Access and Re- verse Commute	New Freedom	State Total
New Mexico .....	9,685,768	7,138,423	818,200	1,153,820	433,668	19,229,879
New York .....	625,104,763	15,289,317	7,925,192	10,287,412	5,801,102	664,407,786
North Carolina .....	43,181,676	19,149,339	3,313,420	3,536,873	2,229,626	71,410,933
North Dakota .....	3,424,958	3,456,075	367,819	307,145	154,087	7,710,084
Ohio .....	93,965,897	17,413,497	4,447,567	4,664,132	2,867,435	123,358,528
Oklahoma .....	14,403,558	9,827,707	1,541,451	1,713,818	817,436	28,303,970
Oregon .....	39,829,471	8,509,361	1,429,162	1,547,190	793,434	52,108,619
Pennsylvania .....	160,661,233	17,629,639	5,249,324	5,294,308	3,543,480	192,377,984
Puerto Rico .....	52,950,512	1,226,050	1,791,572	6,990,591	1,390,749	64,349,474
Rhode Island .....	17,922,122	512,123	566,911	492,067	303,302	19,796,525
South Carolina .....	16,117,501	9,625,026	1,770,069	1,973,447	1,130,635	30,616,678
South Dakota .....	2,688,866	4,217,960	405,186	329,640	173,676	7,875,328
Tennessee .....	31,607,849	12,278,186	2,465,049	2,814,741	1,547,929	50,713,754
Texas .....	212,828,027	29,417,889	7,341,337	13,095,027	5,884,975	268,567,254
Utah .....	31,123,282	4,176,204	735,982	938,490	447,018	37,420,977
Vermont .....	1,423,405	2,299,609	346,510	196,980	124,633	4,391,137
Virgin Islands .....	842,661	406,863	158,694	87,101	35,854	1,531,173
Virginia .....	59,491,923	10,839,984	2,599,542	2,691,215	1,871,053	77,493,718
Washington .....	105,979,847	8,318,576	2,211,542	2,613,574	1,638,596	120,762,135
West Virginia .....	5,701,734	5,870,001	987,018	1,116,308	556,512	14,231,573
Wisconsin .....	43,010,894	11,741,348	2,019,973	1,989,522	1,393,903	60,155,640
Wyoming .....	1,509,504	4,051,087	296,342	213,292	104,717	6,174,941
Subtotal .....	3,920,098,087	446,930,600	116,415,000	144,000,000	81,000,000	4,708,443,687
Oversight .....	27,046,313	2,020,000	585,000	.....	.....	29,651,313
Total .....	3,947,144,400	448,950,600	117,000,000	144,000,000	81,000,000	4,738,095,000
Tribal Transit Program .....	.....	10,000,000	.....	.....	.....	10,000,000
RTAP .....	.....	8,080,000	.....	.....	.....	8,080,000
Grand Total .....	3,947,144,400	467,030,600	117,000,000	144,000,000	81,000,000	4,756,175,000

*Limited Extensions of Discretionary Funds.*—There have been occasions when the Committee has extended the availability of capital investment funds for longer than the original 3-year availability. The Committee, however, has extended funding for many of these projects for more than 1 fiscal year, in an effort to give transit agencies and FTA the opportunity to spend these funds. The Committee strongly urges FTA to obligate the grants before the commencement of the fiscal year 2007 calendar, as the Committee will not look favorably upon any further requests for an extension of funds past 1 fiscal year. Three, even four, fiscal years is more than an adequate amount of time for project sponsors to obligate the discretionary grants, except in the most unusual of circumstances. Transit agencies are urged not to seek discretionary funding when the work cannot be completed in a 3-year time frame. In addition, by October 30, 2006, FTA should submit a report to the House and Senate Committees on Appropriations detailing which of these projects have not obligated the funds, including an explanation of why this could not be achieved.

The availability of these particular funds is extended for 1 additional year, absent further congressional direction. The Committee directs the FTA not to reallocate funds provided in fiscal year 2004 for the following bus and bus facilities projects:

- Alaska—Sawmill Creek Intermodal Facility
- Georgia—Macon Multimodal Station
- Idaho—Transit Coalition for Buses and Bus Facilities
- Iowa—UNI Multimodal Project
- Indiana—Indianapolis Downtown Transit Facility
- Massachusetts—Springfield Union Station Intermodal facility redevelopment
- Mississippi—Intermodal Facility, JIA
- New York—Nassau County, Hub Enhancements
- Ohio—Central Ohio Transit Authority Facility
- Pennsylvania—Pittsburgh Water Taxi and
- South Dakota—Cheyenne River Sioux Tribe Public Buses and Bus Facilities
- Washington—Grant Transit Authority, Bus Facility.

The Committee directs FTA not to reallocate funds provided in fiscal year 2003 or previous acts for the following bus and bus facilities projects:

- Georgia—Macon Intermodal Center
- Indiana—Indianapolis Downtown Transit facility
- Massachusetts—Springfield Union Station Intermodal facility
- Massachusetts—Springfield Union Station Intermodal Redevelopment Project; and
- Washington—Aurora Avenue Bus Rapid Transit.

*Bus Rapid Transit Project Las Vegas Boulevard, Nevada.*—Amounts made available in fiscal year 2003 for Bus Rapid Transit Project Las Vegas Boulevard, Nevada shall not be reallocated by FTA and shall be available to the Regional Transportation Commission of Southern Nevada for Buses and Bus Facilities, including Bus Rapid Transit projects, and shall remain available until expended.

*Orange County Transportation Authority.*—Funds made available in fiscal year 2002 for Costa Mesa CNG facility shall be available to Orange County Transportation Authority.

*Utah Intermodal Transportation Facilities.*—Funds made available in the fiscal year 2006 for the Westminster College Intermodal Transportation Expansion for small buses in Utah shall be made available for Utah Intermodal Transportation Facilities.

*Pablo Bus Facility.*—Funds made available in fiscal year 2006 for Pablo Bus Facility and Pablo Buses shall be made available for Pablo Bus Facility.

*Illinois Statewide Buses.*—The Committee provides \$6,000,000 to the Illinois Department of Transportation [IDOT] for section 5309 Bus and Bus Facilities grants. The Committee expects IDOT to provide at least \$3,000,000 for Downstate Illinois replacement buses in Bloomington, Champaign-Urbana, Danville, Decatur, Peoria, Pekin, Quincy, River Valley, Rockford, Rock Island, Springfield, Madison County, Rides MTD, South Central MTD, and Macomb. Further, the Committee expects IDOT to provide appropriate funds for bus facilities in Bloomington, Galesburg, River Valley Metro in Kankakee, Macomb, Peoria, and Rock Island, including \$500,000 for the Macomb maintenance facility and \$500,000 for the Kankakee's River Valley Metro operations facility.

*Springfield Union Station Intermodal Facility, Massachusetts.*—The Committee continues to be supportive of the construction of a new, affordable, intermodal facility in the city of Springfield, Massachusetts. However, the Committee notes that more than \$12,700,000 of funds already appropriated for this project from as far back as 2002 remain unobligated. Still other funds provided for the project in authorization acts also remain unobligated. The Committee directs the government and transportation leaders in the region to immediately focus on the task of developing a feasible project plan that limits the Federal contribution for the project to the sums already provided so that these appropriated funds can be expended promptly. The Committee further directs the Administrator to work with the appropriate city and regional leadership toward this goal. The Administrator is requested to report back to the Committee regarding progress on this project not later than July 1, 2007.

*West Virginia Statewide Bus and Bus Facilities.*—Consistent with the provisions of section 3044 of SAFETEA-LU, the bill includes a total of \$5,000,000 for bus and bus facilities within the State of West Virginia for fiscal year 2007.

*Hybrid Bus Cost Share.*—The Committee has not included a provision to allow FTA to provide grants for 100 percent of the net capital cost of a factory-installed or retrofitted hybrid electric system in a bus as proposed in the budget. The Committee has stressed the importance of hybrid technology buses in the past and remains committed to seeing hybrid technology proliferate throughout the Nation's transit systems. However, the Committee believes that waiving the required match would result in less hybrid buses being purchased by transit properties, not more. The Committee strongly believes that local share requirements are the best deal for taxpayers when it comes to stretching increasingly scarce Federal resources.



The Committee directs FTA to distribute funds made available to carry out the Bus and Bus Facilities program in this fiscal year as directed by SAFETEA-LU. Of the remaining funds provided for that program in this fiscal year as well as the \$24,893,251 remaining in fiscal year 2006, the committee directs the funds as follows:

Project name	Committee recommendation
Akron METRO RTA Radio Replacement, OH .....	\$750,000
Alabama Senior Transportation Program, AL .....	1,000,000
Altoona Intermodal/Parking Facility Renovation Project, Pennsylvania .....	1,000,000
AnchorRides Disabled Vehicle Maintenance Project, AK .....	100,000
Atlanta—MARTA Bus Acquisition Program, GA .....	1,750,000
Bay Area Transportation Authority Replacement Bus Purchase, Traverse City, MI .....	550,000
Ben Franklin Transit, Maintenance and Operations Facility, WA .....	750,000
Bi-County Transit Center in Langley Park, Maryland .....	1,000,000
Boston College Green Line MBTA, MA .....	1,000,000
Bridgeport Intermodal Transportation Center (CT) .....	5,000,000
Brockton Area Transit Authority Bus Replacement, MA .....	1,000,000
Broward County Alternative Fuel Buses, Florida .....	1,000,000
Bucks County Intermodal Facility .....	2,000,000
Bus and Bus Facilities, City of Roswell, New Mexico .....	400,000
Bus and Bus Facilities, Grant County, New Mexico .....	1,500,000
Calaveras County—Calaveras Regional Intermodal Transportation Center, CA .....	500,000
Camden County Intermodal Facility, New Jersey .....	1,000,000
Capital Metro—Bus and Bus Facilities, TX .....	4,800,000
CCTA Buses, Facilities and Equipment (VT) .....	4,000,000
Cedar Avenue Bus Rapid Transit, Phase I, Dakota County, Minnesota .....	3,700,000
Central Corridor Transitway, MN .....	1,350,000
Central Florida Regional Transportation Authority (LYNX) Bus Procurement, Florida .....	3,250,000
Church Street Transportation Center .....	1,600,000
City of Billings—City of Billings' MET Transit Authority Improvements .....	500,000
City of Mobile Waterfront Project, AL .....	1,000,000
City of St. Joseph, Missouri, Bus and Bus facilities .....	84,000
City Utilities of Springfield Intermodal Transfer Facility, MO .....	2,000,000
City of San Luis Obispo—Replacement Buses, CA .....	500,000
City of Lynwood—Lynwood Intermodal Transit Facility, CA .....	500,000
City of Hercules—Hercules Intermodal Terminal, CA .....	500,000
City of Pasadena—Bus Priority System, CA .....	500,000
City of Visalia—Visalia Buses and Bus Facilities, CA .....	500,000
City of Oakland—Transit Improvements at BART Stations, CA .....	500,000
City of Fresno—FAX Buses, CA .....	500,000
Clallam Transit Vehicle Replacement, WA .....	500,000
Clallam Transit, International Gateway Project, WA .....	1,000,000
Coast Transit Authority, MS .....	5,000,000
Colorado Transit Coalition—Colorado .....	5,000,000
Columbia County Public Transportation Vehicle Replacement, WA .....	120,000
Community Transit, Bus Rapid Transit Vehicle Acquisition, WA .....	1,000,000
Diesel Paratransit Vans, Las Cruces, NM .....	140,000
Downtown Transit Center, Indianapolis, IN .....	1,000,000
Dubuque Downtown Transportation Center Intermodal Transit Facility Study, Iowa .....	100,000
Ed Roberts Campus, CA .....	500,000
Erie Metropolitan Transit Authority Operations Facility, Pennsylvania .....	1,750,000
Everett Transit Vehicle Replacement, WA .....	600,000
FAST Traffic Management, Southern Nevada, NV .....	1,017,000
Four County Elder Advocates Senior Transportation Initiative, Joplin, Missouri .....	150,000
Garfield County Public Transportation Vehicle Replacement, WA .....	70,000
Georgia Regional Transportation Authority Express Buses .....	2,000,000
Grant Transit Vehicle Replacement, WA .....	480,000
Grays Harbor Transit Vehicle Replacement, WA .....	1,000,000
Great Falls Transit District—Bus and Bus Facilities .....	3,480,000
Greater Ouachita Port Intermodal Facility, Louisiana .....	3,500,000
Greater Richmond Transit Company Bus Facility, Virginia .....	1,500,000
Hampton Roads Transit—Southside Bus Facility Replacement, Virginia .....	1,500,000
Hawaii Rural Bus Program .....	3,000,000
Idaho Transit Coalition Capital Investment .....	3,750,000

Project name	Committee recommendation
Indiana University Campus Bus Service Park and Ride, Bloomington, IN .....	1,500,000
Intermodal Facilities, Utah .....	2,500,000
Island Transit Vehicle Replacement, WA .....	435,000
JATRAM Fleet Replacement, MS .....	1,000,000
Jefferson State Hoover Intermodal Facility, AL .....	1,250,000
Jefferson Transit Vehicle Replacement, WA .....	480,000
Kansas City Area Transportation Authority Bus Replacement, MO .....	5,420,000
Kansas Statewide Bus and Bus Facilities, Kansas .....	1,000,000
King County Metro, Bus Radio Replacement Program, WA .....	750,000
LACMTA Bus Facility Upgrade, CA .....	1,000,000
Lakewood Township Multi Modal Facility Phase I, New Jersey .....	1,500,000
Livermore Amador Valley Transit Authority—Satellite Maintenance and Operations Facility, CA .....	500,000
Long Beach Transit—Clean Fuel Buses, CA .....	500,000
Louisiana Statewide Bus and Bus Facilities .....	3,000,000
Lubbock Citibus Low Floor Buses, Paratransit Vans, Facilities, and Equipment .....	1,800,000
Mason Transit Vehicle Replacement, WA .....	300,000
Memphis Airport Intermodal Facility, Tennessee .....	2,750,000
Mesa, AZ Main Street Bus Rapid Transit .....	2,500,000
Metro Atlanta—MARTA Automated Smart Card Fare Collection System, GA .....	750,975
Metrolink Facility, Illinois .....	1,000,000
Michigan's 1st congressional District Bus and Facility Capital Needs, MI .....	2,000,000
Montpelier, VT Transit Facilities [VT] .....	1,000,000
Nevada Statewide Bus and Bus Facilities .....	3,000,000
Newark Penn Station Intermodal Improvements, New Jersey .....	2,000,000
North Dakota Statewide Transit, North Dakota .....	2,000,000
Norwalk Pulse Point Facility Safety Improvements (CT) .....	199,650
Norwich Intermodal Transportation Center, CT .....	2,000,000
Operations and Maintenance Facility, Memphis, Tennessee .....	3,500,000
Oxford Public Transit, MS .....	450,000
Pacific Transit Vehicle Replacement, WA .....	210,000
Paducah Area Transit System in Paducah, Kentucky .....	2,000,000
Pierce Transit, Peninsula Park and Ride, WA .....	1,000,000
Potomac & Rappahannock Transportation Commission (PRTC) Bus and Bus Facilities .....	2,250,000
Prospect & E. 21st Street intermodal Transportation Center, OH .....	2,750,000
Pullman Transit Vehicle Replacement, WA .....	1,000,000
Replacement Buses and Bus and Facility Related Equipment—Nebraska .....	2,000,000
Replacement of buses for the Transit Authority of Northern Kentucky .....	1,000,000
Richmond Highway Public Transportation Initiative, Virginia .....	3,000,000
Rio Arriba County Vehicles, Shelters, Building and Compound for Fleet, New Mexico .....	300,000
Sacramento Regional Transit District Bus and Bus Facility/Sacramento Region Paratransit Vehicles, CA .....	1,000,000
San Antonio Bus Facility Improvements and Bus Fleet Modernization, TX .....	2,250,000
San Joaquin County Bus Facility, CA .....	1,000,000
San Diego Association of Governments—Regional Bus Replacement Vehicles, CA .....	500,000
Santa Clara Valley Transportation Authority—Paratransit Vehicles, CA .....	500,000
Santa Fe Transit Center, Replacement Buses and Park and Ride Lots, NM .....	1,500,000
Section 5309 fiscal year 2007 Bus Discretionary Proposal, OH .....	6,000,000
Senior Transportation Connection of Cuyahoga County, OH .....	750,000
SEPTA R-5 Intermodal Center, Pennsylvania .....	1,000,000
Shenango Valley Shuttle Service, Pennsylvania .....	600,000
Silver Spring Metrorail Station, South Gate Entrance Opening, Maryland .....	500,000
Skagway Intermodal facility, AK .....	900,000
SMTS-Bus, Facilities and Capital Maintenance, MO .....	1,660,800
Southeastern Connecticut Bus Rapid Transit System (CT) .....	1,000,000
Southern University Bus Enhancements .....	250,000
St. Bernard Port Intermodal Facility, Louisiana .....	1,000,000
State of Arkansas—Bus and Bus Facilities for Urban, Rural, and Elderly and Disabled Agencies, Arkansas .....	4,000,000
Statewide Bus & Bus Facilities Improvements, Utah .....	3,750,000
Statewide bus and bus facilities, Illinois .....	6,000,000
Statewide Bus and Bus Facilities, Missouri .....	2,000,000
Statewide Bus and Bus Facilities, New Mexico .....	1,500,000
Statewide Bus and Bus Facilities, Tennessee .....	5,250,000
Statewide Bus and Bus Facilities, WI .....	5,000,000
Statewide Bus Replacement, Iowa .....	5,000,000
Statewide Electric Hybrid Bus Initiative by the Indiana Transit Association, IN .....	4,192,273

Project name	Committee recommendation
Statewide O.A.T.S. bus and bus facilities, MO .....	1,000,000
Telegraph Avenue-International Boulevard-East 14th Street Bus Rapid Transit Corridor Improvements, CA ...	2,000,000
Transit Maintenance and Operations Facility, City of Las Cruces, NM .....	1,500,000
Treasure Valley, Idaho Transit Facilities .....	480,000
Tucson SunTran bus replacement, AZ .....	2,000,000
Twin Transit Vehicle Acquisition, WA .....	175,000
UNI Multimodal Project, Cedar Falls, Iowa .....	2,425,000
University of Delaware's Automotive Based Fuel Cell Hybrid Bus Program .....	1,000,000
University Place Intermodal Transit Facility, Pierce County, WA .....	750,000
Uptown Crossings Joint Development Transit Project, Cincinnati, OH .....	2,000,000
Valley Transit Vehicle Replacement, WA .....	230,000
Wahiawa Transit Center .....	1,000,000
Wyandotte County Unified Government Transit Bus replacement and facilities enhancements, Kansas .....	1,000,000
Yolo County—Yolobus facility expansion, CA .....	500,000

The Committee directs FTA to distribute funds made available to carry out the Alternatives Analysis Program in this fiscal year as directed by SAFETEA-LU. Of the remaining funds provided for that program in this fiscal year as well as the \$6,100,000 remaining in fiscal year 2006, the Committee directs the funds as follows:

Project name	Committee recommendation
Pawtucket/Central Falls Commuter Rail Project, RI .....	\$1,220,000
Middletown to Newark Commuter Rail Connection Project, DE .....	1,220,000
Commuter Rail, Albuquerque to Santa Fe, New Mexico .....	1,000,000
Commuter Rail—Eastern Jackson County, Missouri .....	1,000,000
Jacksonville Transportation Authority, Rapid Transit System Development, Florida .....	530,000
Northwest New Jersey—Northeast Pennsylvania Passenger Rail Project .....	830,000
SR-304/I-269 HOV Bus Rapid Transit, MS .....	300,000

#### RESEARCH AND UNIVERSITY RESEARCH CENTERS

	General fund
Appropriations, 2006 .....	\$75,200,000
Budget estimate, 2007 .....	61,000,000
House allowance .....	65,000,000
Committee recommendation .....	61,000,000

#### PROGRAM DESCRIPTION

This appropriation provides financial assistance to support activities that are designed to develop solutions that improve public transportation. As the Federal agency responsible for transit, FTA assumes a leadership role in supporting research intended to identify different strategies to increase ridership, improve personal mobility, minimize automobile fuel consumption and air pollution, and enhance the quality of life in all communities.

FTA may make grants, contracts, cooperative agreements, or other agreements for research, development, demonstration, and deployment projects, and evaluation of technology of national significance to public transportation. FTA provides transit agencies with research results to help make them better equipped to improve public transportation services and to help public transportation services meet national transportation needs at a minimum cost. FTA assists transit agencies to employ new service methods

and technologies that improve their operations and capital efficiencies or improve transit safety and emergency preparedness.

The purpose of the university transportation centers [UTC] program is to foster a national resource and focal point for the support and conduct of research and training concerning the transportation of passengers and property. Funds provided under the FTA's UTC program are transferred to and managed by the Research and Innovation Technology Administration and combined with a transfer of funds from the Federal Highway Administration. The transit university transportation research program funds are statutorily available to designated universities in SAFETEA-LU.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$61,000,000 to continue the university transportation research program. The Committee recommendation is \$14,200,000 less than the fiscal year 2006 enacted level.

The Committee recommends funds for the following:

- East Tennessee Hydrogen Initiative, Tennessee, \$2,400,000;
- Staten Island North/West Shore Rail Plan Study, New York, \$600,000; and
- WVU Exhaust Emission Testing Initiative, West Virginia, \$1,000,000.

#### CAPITAL INVESTMENT GRANTS

Appropriations, 2006 .....	\$1,440,682,000
Budget estimate, 2007 .....	1,466,000,000
House allowance .....	1,566,000,000
Committee recommendation .....	1,466,000,000

#### PROGRAM DESCRIPTION

Section 5309 of 49 U.S.C. authorizes discretionary grants or loans to States and local public bodies and agencies thereof to be used in financing mass transportation investments. Investments may include construction of new fixed guideway systems and extensions to existing guideway systems; major bus fleet expansions and bus facility construction; and fixed guideway expenditures for existing systems. Under SAFETEA-LU, funding for major bus fleet expansion and bus facility construction and fixed guideway expenditures for existing systems has been incorporated under Formula and Bus Grants and is provided as contract authority supported by funds derived from the Mass Transit Account of the Highway Trust Fund.

#### COMMITTEE RECOMMENDATION

The Committee action recommends a level of \$1,466,000,000. The recommended level is \$25,318,000 above the fiscal year 2006 enacted level and the same as the budget request. A total of \$14,660,000 is set aside for oversight activities.

The Committee recommends the following allocations of new starts funds in fiscal year 2007:

Project name	Committee recommendation
Alaska and Hawaii ferry projects, Alaska .....	\$15,000,000

Project name	Committee recommendation
Central Link Initial Segment, Washington .....	80,000,000
Central LRT Double-Track, Maryland .....	482,822
Central Phoenix/East Valley Light Rail, Arizona .....	90,000,000
Charlotte (NC) Charlotte Rapid Transit Expansion Project, North Carolina .....	6,000,000
Charlotte (NC) South Corridor Light Rail Project, North Carolina .....	70,744,065
Commuter Rail, Salt Lake County to Weber County, Utah .....	80,000,000
CORRIDORone Regional Commuter Rail .....	2,500,000
CTA Douglas Blue Line, Chicago, Illinois .....	1,573,675
CTA Ravenswood Brown Line, Chicago, Illinois .....	40,000,000
Dallas Area Rapid Transit Northwest/Southeast Light Rail MOS, Texas .....	80,000,000
Denali Commission, Alaska .....	5,000,000
Dulles Corridor Rail Project, Virginia .....	25,000,000
Euclid Corridor Transportation Project, Ohio .....	693,013
Galveston Rail Trolley Extension to Boulevard, Texas .....	2,000,000
Honolulu High-Capacity Transit Corridor Project, Hawaii .....	4,000,000
Houston METRO—Advanced Transit Program/METRO Solutions Phase 2, Texas .....	15,000,000
Hudson-Bergen Light Rail MOS2, New Jersey .....	100,000,000
Interstate MAX LRT Extension, Oregon .....	542,940
Long Island Rail Road East Side Access, New York .....	300,000,000
Los Angeles Metro Gold Line Eastside Extension, California .....	100,000,000
MARC Commuter Rail Improvements, Maryland .....	4,000,000
Miami-Dade County Metrorail Orange Line Expansion, Florida .....	2,000,000
Mid-Jordan Light Rail Transit Line, Utah .....	4,500,000
Mission Valley East LRT Extension, California .....	806,654
NJ Trans-Hudson Midtown Corridor, New Jersey .....	4,400,000
Norfolk Light Rail Project Final Design and Construction, Virginia .....	1,500,000
North Shore LRT Connector, Pennsylvania .....	55,000,000
Northeast Corridor Commuter Rail Project between Wilmington and Newark, Delaware .....	1,000,000
Northstar Corridor Rail Project, Minnesota .....	1,000,000
Oceanside-Escondido Rail Corridor, California .....	684,040
Perris Valley Line Metrolink Extension, California .....	3,000,000
Post Road Commuter Rail Facility, Connecticut .....	2,000,000
San Francisco BART Extension to San Francisco International Airport, California .....	2,424,694
Schuylkill Valley MetroRail, Pennsylvania .....	1,000,000
South Corridor I-205/Portland Mall Light Rail, Oregon .....	80,000,000
South County Commuter Rail Project—Wickford Junction Station, Rhode Island .....	7,000,000
Southeast Corridor Multi-Modal Project (T-REX) Colorado .....	80,000,000
Tren Urbano, Puerto Rico .....	2,670,518
Union-Pacific West Line Extension, Illinois .....	1,255,978
University Link LRT Extension, Seattle, Washington .....	15,000,000
West Corridor LRT, Colorado .....	35,000,000
Wilsonville to Beaverton Commuter Rail Project, Oregon .....	27,600,000

*New Jersey Trans-Hudson Midtown Corridor Project.*—The Committee has fully funded the project allocations articulated in section 3037 of SAFETEA-LU including the funding authorized for the New Jersey Trans-Hudson Midtown Corridor project. Over and above these amounts, the Committee has provided discretionary funding from the Capital Investment Grants program for this project. The combination of these two appropriations will yield a total of \$8,400,000 for this project for fiscal year 2007.

*Seattle Light Rail Initial Segment and Extensions.*—Consistent with the existing full funding grant agreement, the bill includes \$80,000,000 for the initial segment of the Seattle Link light rail system. The bill also includes \$15,000,000 for the University Link extension that will shortly be entering the final design phase. It has always been the goal of regional transportation planners and the locally elected leadership that the initial segment of this light rail system should directly connect Seattle city center with SeaTac International Airport. However, due to rapid changes in security and infrastructure planning at the airport after the September 11

terrorist attacks, the Full Funding Grant Agreement [FFGA] for the initial segment could not include a direct connection into the airport. In order to rectify this situation and help provide for a seamless transit link directly to the airport, the bill includes a general provision (section 145) intended to allow any Federal funds that may not be necessary due to budget “under runs” in the performance of the initial segment project to be used to assist in the construction of the airport link. This provision will, in effect, allow Sound Transit to benefit from its careful management of the initial segment project, allowing the agency to capture the Federal portion of any cost savings and use those savings to close a critically important gap in transit service in the region.

*Limited Extensions of Discretionary Funds.*—There have been occasions when the Committee has extended the availability of capital investment funds. These extensions are granted on a case by case basis and, in nearly all instances, are due to circumstances that were unforeseen by the project’s sponsor. The availability of these particular funds is intended for one additional year, absent further congressional direction. The Committee directs the FTA not to reallocate funds provided in fiscal year 2004 for the following new starts projects:

Connecticut—Stamford, Connecticut, Urban Transitway and Intermodal Transportation Center Improvements.

Delaware—Wilmington, Delaware, Train Station Improvements

District of Columbia/Virginia—Dulles Corridor Rapid Transit Project

Pennsylvania—Schuylkill Valley Metro; and

Wisconsin—Kenosha-Racine-Milwaukee Rail Extension Project.

The Committee directs FTA not to reallocate funds provided in fiscal year 2003 or previous acts for the following new starts projects:

Connecticut—Bridgeport Connecticut, Intermodal Transportation Center Project

District of Columbia/Virginia—Dulles Corridor Rapid Transit Project

Delaware—Wilmington, Delaware, Train Station Improvements

Delaware—Wilmington, Delaware, Downtown Transit Corridor Project; and

Wisconsin—Kenosha-Racine-Milwaukee Rail Extension Project.

*Appropriations for Full Funding Grant Agreements.*—The Committee reiterates direction initially agreed to in the fiscal year 2002 conference report that FTA should not sign any FFGAs that have a maximum Federal share of higher than 60 percent.

#### ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

Section 160 exempts limitations previously made available on obligations for programs of the FTA under 49 U.S.C. 5338.

Section 161 allows funds under this act, Federal Transit Administration, Capital investment grants not obligated by September 30, 2008 to be made available for other projects under 40 U.S.C. 5309.

Section 162 allows funds appropriated before October 1, 2005, that remain available for expenditure to be transferred.

Section 163 allows unobligated funds for new projects under Federal Transit Authority to be used during this fiscal year to satisfy expenses incurred for such projects.

Section 164 allows funds appropriated in prior years to the City of Albuquerque, New Mexico, to be available for bus and bus facilities.

Section 165 amends the Central Link Initial Segment Project, as previously stated in the report.

Section 166 extends the availability of funds provided for the Las Vegas Resort Corridor Fixed Guideway Project and makes those funds available to the Regional Transportation Commission of Southern Nevada for any bus or bus facilities project eligible under section 5307 or 5309 of title 49, United States Code.

Section 167 modifies the eligibility of funds provided in fiscal year 2006 for the Miami Streetcar project.

Section 168 allows funds for the Alaska Hawaii Ferry set-aside grant program to be used for the Hawaii Port Infrastructure Expansion Program.

Section 169 allows funds under Capital Investments Grants to be used for activities under 49 U.S.C. 5339.

#### SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

##### PROGRAM DESCRIPTION

The Saint Lawrence Seaway Development Corporation [SLSDC] is a wholly owned Government corporation established by the Saint Lawrence Seaway Act of May 13, 1954 (33 U.S.C. 981). The SLSDC is a vital transportation corridor for the international movement of bulk commodities such as steel, iron, grain, and coal, serving the North American region that makes up one-quarter of the United States population and nearly one-half of the Canadian population. The SLSDC is responsible for the operation, maintenance, and development of the United States portion of the Saint Lawrence Seaway between Montreal and Lake Erie.

##### OPERATIONS AND MAINTENANCE

##### (HARBOR MAINTENANCE TRUST FUND)

Appropriations, 2006 .....	\$16,121,000
Budget estimate, 2007 .....	8,000,000
House allowance .....	17,425,000
Committee recommendation .....	17,425,000

##### PROGRAM DESCRIPTION

The Harbor Maintenance Trust Fund [HMTF] was established by the Water Resources Development Act of 1986 (Public Law 99-662). Since 1987, the HMTF has supported the operations and maintenance of commercial harbor projects maintained by the Federal Government. Appropriations from the Harbor Maintenance Trust Fund and revenues from non-Federal sources finance the operation and maintenance of the Seaway for which the SLSDC is responsible.

## COMMITTEE RECOMMENDATION

The Committee recommendation includes \$17,425,000 to fund the operations and maintenance of the SLSDC. This amount is \$9,425,000 above the President's request and is \$1,304,000 above the fiscal year 2006 enacted level. The Committee rejects the request to establish commercial tolls. The recommended level is sufficient to fund all base requirements, including concrete replacement at the two United States Seaway locks.

## MARITIME ADMINISTRATION

## PROGRAM DESCRIPTION

The Maritime Administration [MARAD] is responsible for programs authorized by the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1101 et seq.). MARAD is also responsible for programs that strengthen the U.S. maritime industry in support of the Nation's security and economic needs. MARAD prioritizes DOD's use of ports and intermodal facilities during DOD mobilizations to guarantee the smooth flow of military cargo through commercial ports. MARAD manages the Maritime Security Program, the Voluntary Intermodal Sealift Agreement Program and the Ready Reserve Force, which assure DOD access to commercial and strategic sealift and associated intermodal capacity. MARAD also continues to address the disposal of obsolete ships in the National Defense Reserve Fleet which are deemed a potential environmental risk. Further, MARAD administers education and training programs through the U.S. Merchant Marine Academy and six State maritime schools that assist in providing skilled merchant marine officers who are capable of serving defense and commercial transportation needs. The Committee continues to fund MARAD in its support of the United States as a maritime Nation.

## MARITIME SECURITY PROGRAM

Appropriations, 2006 .....	\$154,440,000
Budget estimate, 2007 .....	154,440,000
House allowance .....	154,440,000
Committee recommendation .....	154,440,000

## PROGRAM DESCRIPTION

The Maritime Security Program provides resources to maintain a U.S. flag merchant fleet crewed by U.S. citizens to serve both the commercial and national security needs of the United States. The program provides direct payments to U.S. flag ship operators engaged in U.S. foreign trade. Participating operators are required to keep the vessels in active commercial service and are required to provide intermodal sealift support to the Department of Defense in times of war or national emergency.

## COMMITTEE RECOMMENDATION

The Committee recommends \$154,440,000 for the Maritime Security Program, consistent with the budget request.



## OPERATIONS AND TRAINING

Appropriations, 2006 .....	\$128,527,000
Budget estimate, 2007 .....	115,830,000
House allowance .....	116,442,000
Committee recommendation .....	115,830,000

## PROGRAM DESCRIPTION

The Operations and Training appropriation primarily funds the salaries and expenses for MARAD headquarters and regional staff in the administration and direction for all MARAD programs. The account includes funding for the U.S. Merchant Marine Academy, six State maritime schools, port and intermodal development, cargo preference, international trade relations, deep-water port licensing, and administrative support costs.

## COMMITTEE RECOMMENDATION

The Committee recommends \$115,830,000 for Operations and Training for fiscal year 2007. The recommendation is consistent with the President's budget request and \$12,697,000 below the fiscal year 2006 enacted level. The Committee has included \$14,850,000 for the U.S. Merchant Marine Academy to continue with the major design and construction projects as identified in the 10-year capital improvement plan.

Funds appropriated for Operations and Training are sufficient to maintain the operating costs incurred by headquarters and regional staffs in administering and directing the Maritime Administration programs. The Committee recommendation includes the necessary resources to cover the costs of officer training at the U.S. Merchant Marine Academy; provide Federal financial support to the six State maritime academies; support coordination efforts for U.S. maritime industry activities under emergency conditions; and to promote port and intermodal development activities.

Funds provided for this account are to be distributed as follows: \$61,747,000 for the U.S. Merchant Marine Academy, \$9,900,000 for the State Maritime schools, and \$44,185,000 for MARAD operations, for a total of \$115,830,000.

## SHIP DISPOSAL

Appropriations, 2006 .....	\$20,790,000
Budget estimate, 2007 .....	25,740,000
House allowance .....	25,740,000
Committee recommendation .....	25,740,000

## PROGRAM DESCRIPTION

The Ship Disposal account provides resources to dispose of obsolete merchant-type vessels of 150,000 gross tons or more in the National Defense Reserve Fleet [NDRF] which the Maritime Administration is required by law to dispose of by the end of 2006. Currently there is a backlog of more than 115 ships awaiting disposal. Many of these vessels are some 50 years old or more and pose a significant environmental threat due to the presence of hazardous substances such as asbestos and solid and liquid polychlorinated biphenyls [PCBs].

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,740,000 for ship disposal. This amount is the same as the budget request and \$4,950,000 above the fiscal year 2006 enacted level.

The Committee is pleased that the Maritime Administration expects to have completed the removal of all high priority ships and many moderate priority ships from its fleet sites by the end of fiscal year 2006. The Committee directs the Maritime Administration to notify the House and Senate Committee on Appropriations of any changes to this projection and the reasons for such changes. The Committee is concerned about the unexpected rising costs associated with the decommissioning of the nuclear ship *Savannah* and the uncertainty of costs needed to fund this project in future years. The Committee expects the Maritime Administration to update these cost projections in its fiscal year 2008 budget submission.

## MARITIME GUARANTEED LOAN PROGRAM

## (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$4,085,000
Budget estimate, 2007 .....	3,317,000
House allowance .....	3,317,000
Committee recommendation .....	3,317,000

## PROGRAM DESCRIPTION

The Maritime Guaranteed Loan Program, commonly referred to as, "Title XI," provides for a Federal Government guarantee of private-sector debt for ship construction and shipyard modernization. This program fosters and sustains a U.S. shipbuilding and repair industry which helps ensure that the United States remains a maritime Nation.

As required by the Federal Credit Reform Act of 1990 (Public Law 101-508), this account includes the subsidy costs associated with the loan guarantee commitments made in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as the administrative expenses of this program. The subsidy amounts are estimated on a present value basis and administrative expenses are estimated on a cash basis.

Funds for administrative expenses for the Title XI program are appropriated to this account, and then transferred by reimbursement to Operations and Training to be obligated and outlayed.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,317,000 for the Title XI, Maritime Guaranteed Loan Program. This amount is consistent with the administration's 2007 budget request.

NATIONAL DEFENSE TANK VESSEL CONSTRUCTION PROGRAM  
(RESCISSION)

Appropriations, 2006 .....	
Budget estimate, 2007 .....	–\$74,000,000
House allowance .....	–74,400,000
Committee recommendation .....	–74,400,000

PROGRAM DESCRIPTION

The fiscal year 2004 Defense Authorization Act (Public Law 108–136) authorized the National Defense Tank Vessel Construction Program to provide financial assistance for the construction of five privately owned product tank vessels to be available for national defense purposes in time of war or national emergency.

COMMITTEE RECOMMENDATION

The Committee recommends rescinding funding for the National Defense Tank Vessel Construction Program but does not repeal sections 3541–46 of the Maritime Security Act of 2003.

ASSISTANCE TO SMALL SHIPYARDS

Appropriations, 2006 .....	
Budget estimate, 2007 .....	
House allowance .....	
Committee recommendation .....	\$15,000,000

PROGRAM DESCRIPTION

As authorized by section 3506 of the National Defense Authorization Act for Fiscal Year 2006, the Assistance to Small Shipyards program provides assistance in the form of grants, loans and loan guarantees to small shipyards for capital improvements.

COMMITTEE RECOMMENDATION

The Committee recommendation includes \$15,000,000 for capital and related infrastructure improvements at qualified shipyards to enhance U.S. shipyards' ability to jointly compete for commercial and international ship construction. The Committee believes that this program will improve the overall international competitiveness of the domestic shipbuilding industry.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM

Appropriations, 2006 .....	
Budget estimate, 2007 .....	
House allowance .....	
Committee recommendation .....	\$30,000,000

PROGRAM DESCRIPTION

The Program, established pursuant to title XI of the Merchant Marine Act, 1936, as amended, provides for a full faith and credit guarantee by the U.S. Government of debt obligations issued by (1) U.S. or foreign shipowners for the purpose of financing or refinancing either U.S. flag vessels or eligible export vessels constructed, reconstructed or reconditioned in U.S. shipyards and (2) U.S. shipyards for the purpose of financing advanced shipbuilding

technology and modern shipbuilding technology (Technology) of a privately owned general shipyard facility located in the United States. The Program is administered by the Secretary of Transportation acting by and through the Maritime Administrator. Under the Federal Credit Reform Act of 1990, appropriations to cover the estimated costs of a project must be obtained prior to the issuance of any approvals for title XI financing.

#### COMMITTEE RECOMMENDATION

The Committee has provided \$30,000,000 for the Maritime Guaranteed Loan Title XI program. Of the amount provided, \$20,000,000 is available for obligation upon enactment of this act. To ensure appropriate oversight and financial controls, the Committee has mandated that of the funds provided, \$10,000,000 cannot be expended until the Department of Transportation's Inspector General has certified to the House and Senate Committee on Appropriations that the Maritime Administration is in compliance with the recommendations contained in the Inspector General's audit reports on the title XI program.

#### ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Section 170 authorizes the Maritime Administration to furnish utilities and services and make repairs to any lease, contract, or occupancy involving government property under the control of MARAD. Rental payments received pursuant to this provision shall be credited to the Treasury as miscellaneous receipts.

Section 171 prohibits obligations incurred during the current year from construction funds in excess of the appropriations and limitations contained in this act or in any prior appropriation act.

#### PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

The Pipeline and Hazardous Material Safety Administration [PHMSA] was established in the Department of Transportation on November 30, 2004, pursuant to the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108–246). The PHMSA is responsible for the Department's pipeline safety program as well as oversight of hazardous materials transportation safety operations. The administration also is dedicated to safety, including the elimination of transportation-related deaths and injuries associated with hazardous materials and pipeline transportation, and by promoting transportation solutions that enhance communities and protect the environment.

#### ADMINISTRATIVE EXPENSES

Appropriations, 2006 .....	\$16,708,230
Budget estimate, 2007 .....	17,721,000
House allowance .....	17,721,000
Committee recommendation .....	17,721,000

#### PROGRAM DESCRIPTION

This account funds program support costs for the PHMSA, including policy development, civil rights, management, administration and agency-wide expenses.

## COMMITTEE RECOMMENDATION

The Committee recommends \$17,721,000 for this account, of which \$639,000 is transferred from the Pipeline Safety Fund. This funding is the same as the budget request and \$1,012,770 more than the fiscal year 2006 level. The Committee expects PHMSA to use these funds as reflected in its budget justification.

## HAZARDOUS MATERIALS SAFETY

Appropriations, 2006 .....	\$25,876,620
Budget estimate, 2007 .....	27,225,000
House allowance .....	27,225,000
Committee recommendation .....	27,225,000

## PROGRAM DESCRIPTION

The PHMSA oversees the safety of more than 800,000 daily shipments of hazardous materials in the United States. PHMSA uses risk management principles and security threat assessments to fully assess and reduce the risks inherent in hazardous materials transportation.

## COMMITTEE RECOMMENDATION

The Committee recommends \$27,225,000 for hazardous materials safety, of which \$2,111,000 shall remain available until September 30, 2009. These funds are the same as the budget request and \$1,348,380 more than the fiscal year 2006 funding level.

## PIPELINE SAFETY

## (PIPELINE SAFETY FUND)

## (OIL SPILL LIABILITY TRUST FUND)

Appropriations, 2006 .....	\$72,279,000
Budget estimate, 2007 .....	75,735,000
House allowance .....	75,735,000
Committee recommendation .....	75,735,000

## PROGRAM DESCRIPTION

The Office of Pipeline Safety [OPS] is designed to promote the safe, reliable, and reliable sound transportation of natural gas and hazardous liquids by pipelines.

## COMMITTEE RECOMMENDATION

The Committee recommendation provides \$75,735,000, of which \$18,810,000 will be derived from the Oil Spill Liability Trust Fund and of which \$56,925,000 shall be derived from the Pipeline Safety Fund.

The Committee remains concerned with the significant increase included in the budget estimate for funds from the oilspill liability trust fund. The Oil Pollution Act of 1990 requires that these trust funds be used exclusively for oilspill prevention and response activities, and the Committee strongly encourages the OPS to allocate oversight activities between the hazardous liquid and gas pipelines and to factor the oilspill liability trust fund into the allocation formula that determines the hazardous liquid pipeline user fee assess-

ment to accurately reflect the amount and type of oversight activities being conducted by the office consistent with the trust fund.

#### EMERGENCY PREPAREDNESS GRANTS

##### (EMERGENCY PREPAREDNESS FUND)

Appropriations, 2006 .....	\$14,355,000
Budget estimate, 2007 .....	28,526,000
House allowance .....	28,526,000
Committee recommendation .....	28,526,000

#### PROGRAM DESCRIPTION

The Hazardness Materials Transportation Uniform Safety Act of 1990 [HMTUSA] requires PHMSA to (1) develop and implement a reimbursable emergency preparedness grant program; (2) monitor public sector emergency response training and planning and provide technical assistance to States, political subdivisions and Indian tribes; and (3) develop and update periodically a mandatory training curriculum for emergency responders.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$28,526,000 for this activity, of which \$198,000 shall be for activities related to emergency response training curriculum development and updates, as authorized by section 117(A)(i)(3)(B) of HMTUSA. The Committee includes an obligation limitation of \$28,328,000 for the emergency preparedness grant program.

#### RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

##### RESEARCH AND DEVELOPMENT

Appropriations, 2006 .....	\$5,716,260
Budget estimate, 2007 .....	8,217,000
House allowance .....	6,367,000
Committee recommendation .....	8,217,000

#### PROGRAM DESCRIPTION

The Research and Innovative Technology Administration [RITA] was established in the Department of Transportation, effective November 24, 2004, pursuant to the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-246). The mission of RITA is to focus the Department's multi-modal and inter-modal research efforts, while coordinating the multifaceted research agenda of the Department.

RITA includes the University Transportation Centers, the Volpe National Transportation Center and the Bureau of Transportation Statistics [BTS], which is funded by an allocation from the Federal Highway Administration's Federal-aid highway account.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$8,217,000 to continue research and development activities in fiscal year 2007, of which \$3,000,000 shall remain available until September 30, 2009. This funding level is sufficient to fund 33 full-time equivalent [FTE] staff, an increase of 5 FTEs over the fiscal year 2006 level.

*Transportation Futures Program.*—The Committee recommends the budget request of \$2,228,000 for the transportation futures and applied technology program.

*Research programs.*—Within the fiscal year 2007 recommended funding level, the Committee provides \$1,120,000 for RITA's research, development and technology [RD&T] programs as follows:

Hazardous materials research and development [R&D] .....	\$80,000
Hydrogen fuels safety [R&D] .....	500,000
RD&T coordination .....	540,000

The Committee recommends that the \$1,120,000 provided for these RD&T programs is available until September 30, 2009.

The bill also includes language that allows funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training to be credited to this appropriation.

#### BUREAU OF TRANSPORTATION STATISTICS

##### (LIMITATION ON OBLIGATIONS)

Limitation on obligations, 2006 .....	(\$26,730,000)
Budget estimate, 2007 .....	(27,000,000)
House allowance .....	(27,000,000)
Committee recommendation .....	(27,000,000)

##### PROGRAM DESCRIPTION

The Bureau of Transportation Statistics [BTS] is funded by an allocation from the limitation on obligations for Federal-aid highways. The bureau compiles, analyzes, and makes accessible information on the Nation's transportation systems; collects information on intermodal transportation and other areas as needed; and enhances the quality and effectiveness of the statistical programs of the Department of Transportation through research, the development of guidelines, and the promotion of improvements in data acquisition and use.

##### COMMITTEE RECOMMENDATION

Under the appropriation of the Federal Highway Administration, the bill provides \$27,000,000 for BTS. In addition, BTS will receive a portion of the revenue aligned budget authority [RABA] increase to the Federal-aid highway program in fiscal year 2007.

The Committee limits BTS staff to 122 FTEs in fiscal year 2007 in order to curtail the significant growth in staffing that occurred previously within this agency.

#### OFFICE OF INSPECTOR GENERAL

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$61,874,000
Budget estimate, 2007 .....	64,143,000
House allowance .....	64,143,000
Committee recommendation .....	64,143,000

## PROGRAM DESCRIPTION

The Inspector General Act of 1978 established the Office of Inspector General [OIG] as an independent and objective organization, with a mission to: (1) conduct and supervise audits and investigations relating to the programs and operations of the Department; (2) provide leadership and recommend policies designed to promote economy, efficiency, and effectiveness in the administration of programs and operations; (3) prevent and detect fraud, waste, and abuse; and (4) keep the Secretary and Congress currently informed regarding problems and deficiencies.

## COMMITTEE RECOMMENDATION

The Committee recommendation provides \$64,143,000 for activities of the Office of Inspector General, which is \$2,269,000 more than the fiscal year 2006 enacted level and the same as the budget request.

In addition, the OIG will receive \$7,324,000 from other agencies in this bill for audit and investigation activities within that agency, as noted below:

	Amount
Federal Highway Administration .....	\$3,524,000
Federal Transit Administration .....	2,000,000
Federal Aviation Administration .....	1,050,000
National Transportation Safety Board .....	500,000
Office of the Secretary of Transportation .....	125,000
Research and Innovative Technology Administration .....	125,000

Funding is sufficient to finance 420 full-time equivalent [FTE] staff in fiscal year 2007, for a decrease of 10 FTEs from the fiscal year 2006 level.

*Audit Reports.*—The Committee requests the Inspector General to continue to forward copies of all audit reports to the Committee immediately after they are issued, and to continue to make the Committee aware immediately of any review that recommends cancellation or modifications to any major acquisition project or grant, or which recommends significant budgetary savings. The OIG is also directed to withhold from public distribution for a period of 15 days any final audit or investigative report which was requested by the House or Senate Committees on Appropriations.

The Committee has included a provision in title VII (sec. 718) that requires all departments and agencies in this act to report quarterly to the House and Senate Committees on Appropriations on all sole source contracts, including the contractor, the amount of the contract, the purpose of the contract and the rationale for a sole-source procurement as opposed to a market-based procurement. The departments and agencies also are required to publish this information quarterly in the Federal Register. The Committee directs the IG to assess any conflicts of interest with regard to these contracts and DOT.

*Unfair Business Practices.*—The bill maintains language which authorizes the OIG to investigate allegations of fraud and unfair or deceptive practices and unfair methods of competition by air carriers and ticket agents.



SURFACE TRANSPORTATION BOARD  
SALARIES AND EXPENSES

	Appropriation	Crediting offsetting collections
Appropriations, 2006 .....	\$26,198,000	\$1,250,000
Budget estimate, 2007 .....	22,925,000	1,250,000
House allowance .....	25,618,000	1,250,000
Committee recommendation .....	26,500,000	1,250,000

PROGRAM DESCRIPTION

The Surface Transportation Board [STB] was created on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 [ICCTA] (Public Law 104–88). The Board is a three-member, bipartisan, decisionally independent adjudicatory body organizationally housed within DOT and is responsible for the regulation of the rail and pipeline industries and certain non-licensing regulation of motor carriers and water carriers.

STB's rail oversight activities encompass rate reasonableness, car service and interchange, mergers, line acquisitions, line constructions, and abandonments. STB's jurisdiction also includes certain oversight of the intercity bus industry and pipeline carriers, rate regulation involving noncontiguous domestic water transportation, household goods carriers, and collectively determined motor carrier rates.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of \$26,500,000, an increase of \$3,575,000 above the budget request. Included in the recommendation is \$1,250,000 in fees, which will offset the appropriated funding. At this funding level, the Board will be able to accommodate 150 full-time equivalent staff.

The Committee's recommendation funds the following increases above the fiscal year 2006 enacted level:

	Amount
Annualize fiscal year 2006 pay raise .....	+ \$113,000
Fiscal year 2007 pay raise .....	+ 340,000
GSA rent and security increases .....	+ 1,849,000
Inflation .....	+ 51,000
Annualize salary increase for fiscal year 2006 hires and employee benefits increases .....	+ 882,000
Working capital fund and telephone/utilities increases .....	+ 21,000
Fiscal year 2007 relocation expenses (one-time) .....	+ 375,000
Post move costs .....	+ 274,000
Environmental travel increases .....	+ 15,000

The increases are offset by a reduction of \$4,500,000 for the one-time relocation expenses funded in fiscal year 2006.

*User Fees.*—Current statutory authority, under 31 U.S.C. 9701, grants the Board the authority to collect user fees. Language is included in the bill allowing fees to be credited to the appropriation on a dollar-for-dollar basis as the fees are received and credited. The Committee continues this language to simplify the tracking of the collections and provide the Board with more flexibility in spending its appropriated funds.

## ADMINISTRATIVE PROVISIONS—DEPARTMENT OF TRANSPORTATION

Section 180 allows funds for maintenance and operation of aircraft; motor vehicles; liability insurance; uniforms; or allowances, as authorized by law.

Section 181 limits appropriations for services authorized by 5 U.S.C. 3109 not to exceed the rate for an Executive Level IV.

Section 182 prohibits funds in this act for salaries and expenses of more than 113 political and presidential appointees in the Department of Transportation.

Section 183 prohibits funds for the implementation of section 404 of title 23, United States Code.

Section 184 prohibits recipients of funds made available in this act to release personal information, including a social security number, medical or disability information, and photographs from a driver's license or motor vehicle record without express consent of the person to whom such information pertains; and prohibits the Secretary of Transportation from withholding funds provided in this act for any grantee if a State is in noncompliance with this provision.

Section 185 allows funds received by the Federal Highway Administration, Federal Transit Administration, and the Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited to each agency's respective accounts.

Section 186 authorizes the Secretary of Transportation to allow issuers of any preferred stock to redeem or repurchase preferred stock sold to the Department of Transportation.

Section 187 prohibits funds in this act to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriation at least 3 full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling \$2,000,000 or more is announced by the Department or its modal administration.

Section 188 allows rebates, refunds, incentive payments, minor fees and other funds received by the Department of Transportation from travel management center, charge card programs, subleasing of building space and miscellaneous sources are to be credit to appropriations of the Department of Transportation.

Section 189 allows that amounts from improper payments to a third party contractor that are lawfully recovered by the Department of Transportation shall be available to cover expenses incurred in recovery of such payments.

Section 190 authorizes the transfer of unexpended sums from "Minority Business Outreach" to "Office of the Secretary, Salaries and expenses".

Section 191 does not allow OST to use any funds made available under this act to approve assessments or reimbursement agreements for funds appropriated to modal administrations in this act, except those already underway prior to the date of enactment of this act.

Section 192 prohibits the use of funds for a new EAS pilot program.

Section 193 establishes certain requirements for civil suits against moving companies.

Section 194 establishes certain requirements for the submission of budget justifications to the Congress.

Section 195 establishes requirements for reprogramming actions by the House and Senate Committees on Appropriations.

Section 196 authorizes and directs the Secretary of Transportation, notwithstanding any provision of law, to make project grants for the cost of acquisition of land, or reimbursement of the cost of land if purchased prior to enactment of this provision and prior to a grant agreement, for non-exclusive use aeronautical purposes on an airport layout plan that has been approved by the Secretary on January 23, 2004, pursuant to section 49 U.S.C. 47107(a)(16), for any small hub airport as defined in 49 U.S.C. 47102, and had scheduled or chartered direct international flights totaling at least 200 millions pounds gross aircraft landed weight for calendar year 2002.

Section 197 permits the FAA Administrator to reimburse FAA appropriations for amounts made available for 49 U.S.C. 41742(a)(1) as fees are collected and credited under U.S.C. 45303.

Section 198 prohibits assessments to be levied against any program, budget activity, subactivity or project funded by this act for the Working Capital Fund except under certain circumstances.

Section 199. This section directs the STB to conduct a hearing on "bottle neck" decisions. This provision further directs the STB to issue a Notice of Proposed Rulemaking regarding small rate cases not later than 90 days after the date of enactment of this act.

TITLE II  
DEPARTMENT OF THE TREASURY  
DEPARTMENTAL OFFICES  
SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$194,626,000
Budget estimate, 2007 .....	223,874,000
House allowance .....	223,786,000
Committee recommendation .....	223,874,000

PROGRAM DESCRIPTION

The Departmental Offices consists of the Office of the Secretary and Deputy Secretary, the Office of International Affairs, the Office of Domestic Finance, the Office of Terrorism and Financial Intelligence, the Office of Tax Policy, the Office of Economic Policy, the Office of the General Counsel, the Office of Legislative Affairs, the Office of Public Affairs, Office of the Treasurer, and the Office of Management. The Secretary of the Treasury has the primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the Salaries and Expenses appropriation include: recommending and implementing United States domestic and international economic and tax policy; fiscal policy; governing the fiscal operations of the Government; executing the Nation's financial sanction policies; disrupting and dismantling terrorist financial infrastructure; protecting the United States and international financial system from terrorist financing, money laundering, and other financial crimes; managing the public debt; managing international development policy; representing the United States on international monetary, trade and investment issues; overseeing Department of the Treasury overseas operations; and directing the administrative operations of the Department of the Treasury. The majority of the Salaries and Expenses appropriation provides resources for policy formulation and implementation in the areas of domestic and international finance, terrorist financing and financial crimes, tax, economic, trade, financial operations and general fiscal policy. This appropriation also provides resources to support to the Secretary and policy components, and coordination of departmental administrative policies in financial and personnel management, procurement operations, and information systems and telecommunications.

## COMMITTEE RECOMMENDATION

The Committee recommends \$223,874,000 for the Salaries and Expenses appropriation of the Departmental Offices account of the Department of the Treasury for fiscal year 2007. This amount is equal to the budget request and \$29,248,000 above the fiscal year 2006 enacted level. Within the funds provided under this account, the Committee has provided \$3,000,000 for information technology modernization; \$100,000 for official reception and representation expenses; \$258,000 for unforeseen emergencies; and \$5,114,000 for the Treasury-wide financial statement audits and other Treasury office and bureau audits. Bill language also is included establishing a staffing floor of 139 FTEs and a funding level of \$24,263,000 for the Office of Foreign Assets Control [OFAC].

The Committee has established specific salaries and expenses spending limitations for each program activity within the Departmental Offices account. The Committee has included authority for the Department to request funding transfers between each of its program activities. The Department is required to submit any such transfer requests to the House and Senate Committees on Appropriations and receive approval prior to the execution of any such transfer.

The following table compares the fiscal year 2006 enacted level to the fiscal year 2007 budget estimate and the Committee's recommendation for each office:

	Fiscal year 2006 enacted	2007 budget es- timate	Committee rec- ommendation
Executive direction .....	\$8,556,000	\$17,501,000	\$8,760,000
General counsel .....	7,773,000	.....	8,741,000
Economic policies and programs .....	31,691,000	41,947,000	41,947,000
Financial policies and programs .....	26,308,000	25,336,000	25,336,000
Terrorism and financial intelligence .....	39,540,000	45,401,000	45,701,000
Treasury-wide management and programs .....	16,675,000	20,372,000	20,072,000
Administration .....	63,094,000	73,317,000	73,317,000

*Executive Direction.*—The Committee has decided not to follow the budget request proposal to consolidate funding for the Office of General Counsel under the executive direction activity.

The Committee remains concerned with the significant management challenges faced by the Department and believes that greater emphasis must be placed on effective management leadership. The Treasury Inspector General [IG] continues to cite concerns with the corporate management structure of the Treasury and believes that the lack of effective management leadership has contributed to serious deficiencies at some of the bureaus. In addition to concerns with corporate management, the IG continues to cite the Department's management of capital investments as a major management challenge. The IG specifically recommends that the Treasury needs to ensure consistency, cohesiveness, and economy among all bureaus by establishing clear lines of accountability, providing enterprise solutions for core business activities, and providing effective oversight of information technology investments and security. Given these concerns, the Committee directs the Department to provide an action plan, as part of its operating plan, on how it will

address these issues. The action plan should specify the management officials who will be responsible for carrying out the plan.

*General Counsel.*—As requested in the budget, the Committee has included an additional \$542,000 to support three FTEs to support the growing workload of the Office of Terrorism and Financial Intelligence [TFI] and an additional \$492,000 for three FTEs to provide legal support for OFAC.

*Economic Policies and Programs.*—The Committee recommends an increase of \$9,352,000 for the overseas attaché program, as requested by the administration. The Committee strongly supports the expansion of this program.

*Financial Policies and Programs.*—The Committee recommends \$513,000 for the new Office of Dynamic Analysis as proposed by the budget request.

The Committee urges the Department to create an external, independent panel of experts to guide the new Office of Dynamic Analysis. Members of the panel should be appointed by the Secretary and should embody diverse points of view on pertinent economic issues.

*Terrorism and Financial Intelligence.*—The Committee has included an additional \$5,861,000 as requested for TFI to support the hiring of additional intelligence analysts, training, travel, professional development, and additional secure workspace. Further, these additional funds will support OFAC's efforts in enforcing economic sanctions against terrorist networks. The Committee recognizes the diverse and broad operational responsibilities of OFAC and accordingly, the Committee has included bill language establishing a staffing floor of 139 full-time equivalent positions for this office. The Committee also strongly urges the Department and administration to budget additional resources to ensure OFAC has the capacity to carry out its responsibilities.

Due to the significant dependence on information technology to carry out its activities and responsibilities, the Committee also has included an additional \$300,000 for TFI to create a permanent position of Chief Technology and Information Officer [CTIO]. This position will be responsible for managing and overseeing all TFI information technology programs and needs, including projects under OFAC and FinCEN. The Committee directs that the CTIO will report directly to the Under Secretary for TFI. Until this position is filled, the Treasury's Chief Information Officer will continue to meet the IT needs of TFI.

TFI has become an increasingly important player in the intelligence community and as a result, greater demands have been placed on the office. To ensure TFI has the necessary support to carryout its growing responsibilities and duties, the Committee has provided full funding for additional staffing resources, information technology systems, and other necessary resources. The Committee strongly urges the Department to provide the necessary support to TFI so it can meet its demands.

*Treasury-wide Management Policies and Programs.*—The Committee has provided \$20,072,000 for this activity, including \$1,538,000 for performance management training. The Committee supports the additional funds to provide training to managers at the Department given the management challenges identified by the

Treasury Inspector General. The budget justifications, however, do not provide adequate detail on the requested training funds. Accordingly, the Committee directs the Department to provide specific details on these training funds in the operating plan.

*Congressional Justifications.*—The Committee finds the Department’s congressional justifications to be lacking in some basic areas. For example, the justifications do not provide adequate explanation of legislative bill language changes and fail to identify the specific activity account for which new initiatives are proposed. Accordingly, the Committee directs that the Department to address these issues in its fiscal year 2008 justifications.

*Information Security.*—The Treasury Office of Inspector General [OIG] continues to cite the Department’s information security as a management and performance challenge. Specifically, the Department faces serious challenges in bringing its systems into compliance with information technology security policies, procedures, standards, and guidelines. Moreover, the OIG cites the need to establish and maintain a system inventory as a core issue. This issue is particularly critical given the Internal Revenue Service’s [IRS] recent loss of a laptop containing fingerprints of IRS employees. The Committee strongly urges the Department to address the OIG’s findings and directs the Department to provide a status report to the Committee by March 1, 2007.

#### DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$24,168,000
Budget estimate, 2007 .....	34,032,000
House allowance .....	34,032,000
Committee recommendation .....	34,032,000

##### PROGRAM DESCRIPTION

The 1997 Treasury and General Government Appropriations Act established this account, which is authorized to be used by or on behalf of Treasury bureaus, at the Secretary’s discretion, to modernize business processes and increase efficiency through technology investments, as well as other activities that involve more than one Treasury bureau or Treasury’s interface with other Government agencies.

##### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$34,032,000 for Department-wide systems and capital investment program [DSCIP]. This amount is equal to the budget request and \$9,864,000 above the fiscal year 2006 enacted level.

The following table compares the Committee recommendation with the budget request and the fiscal year 2006 enacted levels.

Project	Fiscal year 2006 enacted	2007 budget estimate	Committee recommendation
Treasury Foreign Intelligence Network .....	\$5,940,000	\$21,200,000	\$21,200,000
OFAC Enterprise Content Management .....		627,000	627,000
Treasury Secure Data Network .....	2,772,000	4,003,000	4,003,000
Critical Infrastructure Protection .....	5,742,000	2,093,000	2,093,000
Back-up Disaster Recovery Capacity .....	1,729,000	1,656,000	1,656,000

Project	Fiscal year 2006 enacted	2007 budget estimate	Committee recommendation
Cyber Security .....	2,281,000	2,244,000	2,244,000
E-Government initiatives .....	2,734,000	2,209,000	2,209,000
Integrated Wireless Network .....	1,485,000	.....	.....
Enterprise Architecture .....	396,000	.....	.....
Defense Messaging System .....	495,000	.....	.....
Documents Management .....	594,000	.....	.....
Total DSCIP .....	24,168,000	34,032,000	34,032,000

*TFIN.*—The Committee strongly supports the upgrade to the Treasury Foreign Intelligence Network [TFIN] and considers this project to be one of the Department’s top priorities due to its growing role in supporting the intelligence community and combating terrorist financing. The Committee recognizes that the additional funds provided will complete the redesign, modernization, and the installation of full back up and recovery capability for TFIN. Given the critical importance of this system to TFI and the intelligence community, including the Director of National Intelligence [DNI], the Committee strongly urges TFI to coordinate closely and seek assistance from the DNI’s Office of Chief Information Officer and other intelligence agencies.

*ECM.*—The Committee also strongly supports the OFAC Enterprise Content Management [ECM] system. The Committee believes that ECM is a high priority for OFAC to improve its ability to carry out its operations in managing records and responding to its customers. While the Committee appreciates the recent attention this project has received from the Department and the administration, it believes that more resources should be devoted to this project. Unfortunately, it appears that this project and other information technology projects are being penalized in the administration’s budget process due to the Department’s inability to develop an enterprise architecture.

*Working Capital Fund.*—The Treasury working capital fund [WCF] was established in 1970 to provide centrally common administrative services across the Department, achieve economies of scale, and eliminate duplication of effort and redundancies. However, the Treasury’s WCF lacks adequate transparency as identified by the Treasury Inspector General. The Committee, therefore, directs the Department to include in its operating plan and its fiscal year 2008 congressional justifications the following information: the estimated budget of the WCF in total and by program; the projected WCF budgets in total and by program for the next 2 budget years; the estimated contributions to the WCF by bureau/office, by program and how these contributions are determined; and a description and amount of any long-term contracts, leases, or commitments (those exceeding 1 year) of the WCF. The Committee also directs the Department to include a new “Working Capital Fund” appropriations account in its fiscal year 2008 budget submission. Lastly, the Committee directs the Department to notify the House and Senate Committees on Appropriations of any new working capital fund program exceeding \$5,000,000.



## OFFICE OF INSPECTOR GENERAL

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$16,830,000
Budget estimate, 2007 .....	17,352,000
House allowance .....	17,352,000
Committee recommendation .....	18,352,000

## PROGRAM DESCRIPTION

As a result of the 1988 amendments to the Inspector General [IG] Act, the Secretary of the Treasury established the Office of Inspector General [OIG] in 1989.

The OIG conducts and supervises audits, evaluations, and investigations designed to: (1) promote economy, efficiency, and effectiveness and prevent fraud, waste, and abuse in departmental programs and operations; and (2) keep the Secretary and Congress fully and currently informed of problems and deficiencies in the administration of departmental programs and operations. The audit function provides program audit, contract audit and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and audit all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. These audits contribute significantly to improved financial management by helping Treasury managers identify improvements needed in their accounting and internal control systems. The evaluations function reviews program performance and issues critical to the mission of the Department, including assessing the Department's implementation of the Government Performance and Results Act [GPRA]. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$18,352,000 for salaries and expenses of the Office of Inspector General. This amount is \$1,000,000 above the budget request and \$1,522,000 above the fiscal year 2006 enacted level. The Committee has provided additional funds above the budget request to support additional audit work on the Department's working capital fund and other management issues.

## TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$131,953,000
Budget estimate, 2007 .....	136,469,000
House allowance .....	136,469,000
Committee recommendation .....	136,469,000

## PROGRAM DESCRIPTION

The Treasury Inspector General for Tax Administration [TIGTA] was established by the IRS Restructuring and Reform Act of 1998 (Public Law 105–206). Funding was first appropriated for this account in the fiscal year 2000 Treasury and General Government Appropriations Act (Public Law 106–58).

TIGTA conducts audits, investigations, and evaluations to assess the operations and programs of the Internal Revenue Service [IRS] and related entities, the IRS Oversight Board and the Office of Chief Counsel to (1) promote the economic, efficient and effective administration of the Nation's tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations, and keep the Secretary and Congress fully and currently informed of these issues and the progress made in resolving them. TIGTA reviews existing and proposed legislation and regulations relating to the programs and operations of the IRS and related entities and makes recommendations concerning the impact of such legislation and regulations on the economy and efficiency in the administration of programs and operations of the IRS and related entities. The audit function provides program audit, limited contract audit and financial audit services. Program audits review and audit all facets of IRS and related entities in an effort to improve IRS systems and operations, while ensuring fair and equitable treatment of taxpayers. Contract audits focus on invoices/vouchers submitted to the IRS to determine whether charges are valid. The investigative function provides for the detection and investigation of improper and illegal activities involving IRS programs and operations and protects the IRS and related entities against external attempts to corrupt or threaten their employees.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$136,469,000 for the Treasury Inspector General for Tax Administration. This amount is an increase of \$4,516,000 above the fiscal year 2006 enacted level and the same as the budget request.

The Committee commends TIGTA for the audit work in reviewing the IRS's response to Hurricane Katrina in the gulf coast area. The Committee also commends TIGTA for reviewing the IRS's business systems modernization program and other information technology projects.

## AIR TRANSPORTATION STABILIZATION PROGRAM ACCOUNT

Appropriations, 2006 .....	\$2,723,000
Budget estimate, 2007 .....	
House allowance .....	
Committee recommendation .....	

## PROGRAM DESCRIPTION

The Air Transportation Safety and System Stabilization Act, Public Law 107–42, established the Air Transportation Stabiliza-

tion Board. The Board may issue up to \$10,000,000,000 in loan guarantees.

#### COMMITTEE RECOMMENDATION

The Committee does not provide any appropriation funding, as requested, for the Air Transportation Stabilization Program for fiscal year 2007. Bill language, as requested, is included that allows the ATSB to charge fees to a borrower. The Board expects to negotiate repayment or remarketing of its remaining loans by the end of fiscal year 2006 and will terminate its activities in 2007.

#### FINANCIAL CRIMES ENFORCEMENT NETWORK

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$72,894,000
Budget estimate, 2007 .....	89,794,000
House allowance .....	84,066,000
Committee recommendation .....	77,321,000

##### PROGRAM DESCRIPTION

The Financial Crimes Enforcement Network [FinCEN], a bureau within the Treasury Department's Office of Terrorism and Financial Intelligence, is the largest overt collector of financial intelligence in the United States. FinCEN's mission is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering and other illicit finance. FinCEN accomplishes its mission by administering the Bank Secrecy Act, a collection of statutes that form the Nation's anti-money laundering/counter-terrorist financing regulatory regime. As the delegated administrator of the Bank Secrecy Act, FinCEN is responsible for the development and implementation of regulations, rules and guidance issued under the Bank Secrecy Act. FinCEN also oversees the work of eight Federal agencies that have been delegated responsibility to examine various sectors of the financial industry for compliance with the Bank Secrecy Act's requirements. FinCEN is responsible for collecting, maintaining, and disseminating the information reported by financial institutions under the Bank Secrecy Act through a Government-wide access service. In coordination with Treasury's Office of Intelligence and Analysis, FinCEN analyzes this financial information and other information and intelligence to develop both strategic and tactical analytical products that support law enforcement, intelligence and regulatory agencies. FinCEN is the United States' Financial Intelligence Unit [FIU] and a founding member of the Egmont Group of Financial Intelligence Units. As the United States FIU, FinCEN routinely shares information and cooperates with other FIUs around the world to address the global problems of terrorist financing, money laundering, and other illicit finance.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$77,321,000 for the Financial Crimes Enforcement Network [FinCEN]. This amount is \$4,427,000 above the fiscal year 2006 enacted level and \$12,473,000 below the budget request.

The Committee does not recommend \$12,473,000 in additional funds for the “BSA Direct” system due to the major failures of the system as identified by the Government Accountability Office [GAO] and the FinCEN Director. The Committee strongly believes that based on the GAO’s assessment, FinCEN will not be in position in fiscal year 2007 to ensure it can spend effectively and efficiently the additional funds requested for BSA Direct. Further, the Committee understands that the IRS has developed a new system that meets the needs of FinCEN and its BSA users.

In the GAO’s July 14, 2006 report on FinCEN’s management of BSA Direct (GAO–06–947R), the GAO found that FinCEN did not always apply effective investment management processes to oversee the BSA Direct Retrieval and Sharing project. As a result, the GAO recommended that the Director of FinCEN direct the Chief Information Officer [CIO] to develop a plan with specific actions for improving the agency’s capabilities for overseeing the BSA Direct project. Further, the GAO noted that the problems with BSA Direct indicate systemic problems with FinCEN’s management and oversight of IT projects. Accordingly, the Committee directs FinCEN to develop a plan that addresses the GAO’s concerns in its July 14, 2006 report and to ensure FinCEN has an executive level review process for IT projects. The Committee directs the Director of FinCEN to submit a report to the House and Senate Committees on Appropriations on these matters by no later than 90 days after the date of enactment of this act.

The Committee understands that FinCEN will require funds to terminate the existing contract for BSA Direct, including costs for the audit agency that will negotiate the termination costs. Further, the Director of FinCEN will determine additional financial requirements to achieve the BSA Direct Retrieval and Sharing Component’s long-term vision. The Committee supports these efforts and looks forward in working with the Director in meeting FinCEN’s future needs.

#### FINANCIAL MANAGEMENT SERVICE

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$233,881,000
Budget estimate, 2007 .....	233,654,000
House allowance .....	233,654,000
Committee recommendation .....	233,654,000

##### PROGRAM DESCRIPTION

In 1940, the United States Department of the Treasury established the Fiscal Service, which consisted of the Bureau of Accounts, the Bureau of the Public Debt, and the Office of the Treasurer. A 1974 reorganization of the Fiscal Service created the Bureau of Government Financial Operations, which was formed from a merger of the Bureau of Accounts and most functions of the Office of the Treasurer. In 1984, the Bureau of Government Financial Operations was renamed the Financial Management Service [FMS].

FMS implements payment policy and procedures for the Federal program agencies, issues and distributes payments, promotes the

use of electronics in the payment process, and assists agencies in converting payments from paper checks to electronic funds transfer [EFT]. FMS also provides debt collection operational services to client agencies and implements collections policy, regulations, standards and procedures for the Federal Government and assists agencies in converting collections from paper to electronic media.

FMS also provides financial accounting, reporting, and financing services to the Federal Government and the Government's agents who participate in the payments and collections process by generating a series of daily, monthly, quarterly and annual Government-wide reports. FMS also works directly with agencies to help reconcile reporting differences.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$233,654,000 for salaries and expenses for FMS. This amount is the same as the budget request and \$227,000 below the fiscal year 2006 enacted level.

#### ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$90,215,000
Budget estimate, 2007 .....	63,964,000
House allowance .....	92,604,000
Committee recommendation .....	92,604,000

##### PROGRAM DESCRIPTION

The Homeland Security Act created the Alcohol and Tobacco Tax and Trade Bureau [TTB] within the Department of the Treasury and charged TTB with collecting revenue and protecting the public.

TTB enforces the Federal laws and regulations relating to alcohol and tobacco. Its responsibilities include maintaining a sound revenue management and regulatory system that continues to reduce the taxpayer burden, improve service, collect the revenue due, prevent tax evasion and other criminal conduct, and protecting the public and preventing consumer deception in regulated commodities.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$92,604,000 for TTB for fiscal year 2007. This amount is an increase of \$28,640,000 over the budget request and an increase of \$2,389,000 over the fiscal year 2006 enacted level. The increase over the budget request is due to the assumption of \$28,640,000 in revenues from new user fees. The new user fee legislative proposal, however, has not been authorized and is not supported by the Committee.

#### BUREAU OF ENGRAVING AND PRINTING

##### PROGRAM DESCRIPTION

The Bureau of Engraving and Printing [BEP] has been the sole manufacturer of U.S. paper currency for almost 150 years. The origin of the BEP is traced to an Act of Congress passed on February 25, 1862, 12 Stat. 345, authorizing the Secretary of the Treasury

to issue a new currency—United States notes. While this law was the cornerstone authority for the operations of the engraving and printing division of the Treasury for many years, it was not until an Act of June 20, 1874, 18 Stat. 100, that the Congress first referred to this division as the “Bureau of Engraving and Printing.” The Bureau’s status as a distinct bureau within the Department of the Treasury was solidified by section 1 of the Act of June 4, 1897, 30 Stat. 18, which placed all of the business of the BEP under the immediate control of a director, subject to the direction of the Secretary of the Treasury. The 1897 law is now codified in 31 U.S.C. 303.

The BEP designs, manufactures, and supplies Federal Reserve notes, and other security documents issued by the Federal Government. The BEP executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The operations of the BEP are currently financed by means of a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the BEP to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The BEP is also authorized to assess amounts to acquire capital equipment and provide for working capital needs.

No direct appropriation is required to cover the activities of the BEP.

#### BUREAU OF THE PUBLIC DEBT

##### ADMINISTERING THE PUBLIC DEBT

Appropriations, 2006 .....	\$175,154,000
Budget estimate, 2007 .....	177,789,000
House allowance .....	177,789,000
Committee recommendation .....	177,789,000

##### PROGRAM DESCRIPTION

The Public Debt Service was formed in 1919 with the appointment of the first Commissioner of the Public Debt. The Public Debt Service took general charge debt operations including debt accounting and securities issue and retirement, which had been conducted by several independent divisions within the Treasury. Acting under the authorization of the Reorganization Act of 1939, the President created the Bureau of the Public Debt, which was established as part of the Fiscal Service in the Department of the Treasury effective June 30, 1940, (31 U.S.C. 306). In 1993, the Savings Bonds Division, a separate organization, was made part of the Bureau.

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.

##### COMMITTEE RECOMMENDATION

The Committee recommends the budget request level of \$177,789,000 for the Bureau of the Public Debt for fiscal year 2007. This amount is an increase of \$2,635,000 above the fiscal year 2006 enacted level.

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM  
ACCOUNT

Appropriations, 2006 .....	\$54,450,000
Budget estimate, 2007 .....	7,821,000
House allowance .....	40,000,000
Committee recommendation .....	55,000,000

## PROGRAM DESCRIPTION

The Community Development Financial Institutions Fund makes investments in the form of grants, loans, equity investments, deposits, and technical assistance grants to new and existing community development financial institutions [CDFIs], through the CDFI program. CDFIs include community development banks, credit unions, venture capital funds, revolving loan funds, and microloan funds, among others. Recipient institutions engage in lending and investment for affordable housing, small business and community development within underserved communities. The CDFI Fund administers the Bank Enterprise Award [BEA] Program, which provides a financial incentive to insured depository institutions to undertake community development finance activities. The CDFI Fund also administers the New Markets Tax Credit Program, a program that provides an incentive to investors in the form of a tax credit, which is expected to stimulate private community and economic development activities.

## COMMITTEE RECOMMENDATION

The Committee recommends \$55,000,000 for the CDFI Fund, which is \$550,000 above the fiscal year 2006 enacted level and \$47,179,000 above the budget request. The Committee recommends that the entire program, not just the New Markets Tax Credit program, remain at the Department of the Treasury as opposed to the administration's proposal of moving the program to the Department of Commerce under the Strengthening America's Communities Initiative.

The Committee is again concerned about the proposed reductions to CDFI and the respective programs within CDFI, such as the Bank Enterprise Award [BEA]. These programs play an important role in providing financial services to underserved communities in both urban and rural communities across the country. The Committee expects the BEA program to be funded at no less than \$10,000,000 for fiscal year 2007.

The Committee also recommends a set-aside of \$3,000,000 for grants, loans, and technical assistance and training programs to benefit Native America, Alaskan Natives, and Native Hawaiian communities in the coordination of development strategies, increased access to equity investments, and loans for development activities.

## UNITED STATES MINT

## UNITED STATES MINT PUBLIC ENTERPRISE FUND

## PROGRAM DESCRIPTION

The United States Mint manufactures coins, sells numismatic and investment products, and provides for security and asset protection. Public Law 104–52 established the U.S. Mint Public Enterprise Fund (the Fund). The Fund encompasses the previous Salaries and Expenses, Coinage Profit Fund, Coinage Metal Fund, and the Numismatic Public Enterprise Fund. The Mint submits annual audited business-type financial statements to the Secretary of the Treasury and to Congress in support of the operations of the revolving fund.

The operations of the Mint are divided into two major activities: Manufacturing and Sales (including circulating coinage and numismatic and investment products); and Protection. The Mint is credited with receipts from its circulating coinage operations, equal to the full cost of producing and distributing coins that are put into circulation, including depreciation of the Mint's plant and equipment on the basis of current replacement value. Those receipts pay for the costs of the Mint's operations, which include the costs of production and distribution. The difference between the face value of the coins and these costs are profits, which is deposited as seigniorage to the general fund. In fiscal year 2005, the Mint transferred \$775,000,000 to the general fund. Any seigniorage used to finance the Mint's capital acquisitions is recorded as budget authority in the year that funds are obligated for this purpose and as receipts over the life of the asset.

## COMMITTEE RECOMMENDATION

The Committee recommends a spending level of \$30,200,000 for circulating coinage and protective service capital investments for the Mint. This amount is an increase of \$3,432,000 above the fiscal year 2006 enacted level and is equal to the budget request.

## INTERNAL REVENUE SERVICE

## PROGRAM DESCRIPTION

The Internal Revenue Service [IRS] history dates back to 1862. In 1953, following a reorganization of its function, its name became the Internal Revenue Service. The IRS administers the Nation's tax laws and collects the revenue that funds most of the Federal Government's operations and public services. The IRS's mission is to provide taxpayers with quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. The IRS focuses its enforcement programs toward increasing voluntary tax compliance by deterring taxpayers inclined to evade their tax obligations while vigorously pursuing those who violate the law. It deals directly with more Americans than any other institution, public or private. In 2005, the IRS collected over \$2,000,000,000,000 in revenue and processed more than 208 million tax returns. During the 2005 filing season, more than half of all individual taxpayers (nearly 68



million) filed electronically. Also, in 2005, the IRS provided assistance more than 95 million times through toll-free telephone lines, correspondence or visits to its more than 400 offices nationwide. An important focus for the IRS in recent years has been to undertake a major modernization of its systems, including expanding its Internet services, and business operations to serve better taxpayers and enforce the law.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$10,655,972,000 for the Internal Revenue Service for fiscal year 2007. This is an increase of \$82,266,000 above the fiscal year 2006 enacted level and \$64,135,000 above the budget request.

*New Appropriations Account Structure.*—The Committee has created a new appropriations account structure for fiscal year 2007. Under this structure, the IRS's activities are more properly aligned to budget activities by creating new "Taxpayer Services", "Enforcement", and "Operations Support" accounts in place of the old "Processing, Assistance, and Management", "Tax Law Enforcement", and "Information Systems" accounts. The "Business Systems Modernization" and "Health Insurance Tax Credit Administration" accounts are maintained. Further, the Committee has broken out the "IRS Oversight Board" as a new separate account.

The Committee developed the new account structure in consultation with the Department of the Treasury, the IRS, and the House Committee on Appropriations. The Committee has provided the IRS with some administrative flexibility in transitioning to the new account structure by allowing the IRS to transfer funds among the taxpayer services, enforcement, and operations support accounts. This new administrative flexibility provided as an administrative provision.

*Tax Gap.*—The IRS updated its results of a 3-year study on the difference between what taxpayers are supposed to pay and what they actually do pay, the so-called "tax gap." The IRS found that for tax year 2001, about 84 percent of owed taxes were paid voluntarily and timely. However, a significant number of taxpayers do not comply with the Tax Code resulting in an estimated gross tax gap of \$345,000,000,000. The IRS estimates that after enforcement and other late payments are factored into the gross tax gap, the net tax gap is about \$290,000,000,000. The most current estimate of the tax gap remains largely unchanged from the IRS's initial update conducted last year and has remained relatively stable for the past three decades based on previous IRS studies. The accuracy of the tax gap, however, is uncertain given the use of outdated information and questionable methodology. Some experts, including the GAO and TIGTA, believe that the tax gap may actually be higher than estimated by the IRS. The Committee strongly believes that the IRS must and can reduce the tax gap if the IRS is given additional resources and is able to improve its operational capabilities (most notably through the Business Systems Modernization program).

To reduce the tax gap, the IRS's budget request has set a goal of increasing the voluntary compliance rate from a current estimate of about 83.7 percent to 85 percent by 2009. However, the budget

request does not include a strategic plan to achieve this goal. To reduce the tax gap, experts recommend a number of approaches, such as: improving information reporting, improving taxpayer services, increasing research on noncompliance, improving the partnership between the IRS and the tax administration community, and leveraging technology to improve IRS's systems. The Committee supports all of these approaches and believes that the administration must develop a detailed business plan on how it will reduce the tax gap. Accordingly, the Committee has included an administrative provision that requires the IRS to develop a detailed, strategic plan that demonstrates how it will achieve and how it will measure the voluntary compliance goal of 85 percent by 2009.

*Operating Plan and Notification.*—In addition to the normal operating plan requirements detailed in the introduction in this report, the Committee directs the IRS to include details on any planned reorganization, job reductions or increases to offices or activities within the agency, and modifications to any service or enforcement activity. Some past examples that would qualify under this directive include: the Modernization and Information Technology Systems [MITS] reorganization and the proposed closure of taxpayer assistance centers. The Committee also directs the IRS to obtain the approval of the IRS Oversight Board prior to submitting its operating plan to the Committee. Further, the IRS should promptly notify the Committee and the IRS Oversight Board if there are any substantial changes of these plans.

The Committee continues to remain concerned about any efforts to reduce significantly taxpayer services. Therefore, the Committee directs that should the IRS propose further reductions in taxpayer service, such reductions must be consistent with the budget justification, operating plan, and Taxpayer Assistance Blueprint.

*Privacy Regulations.*—The Committee notes that the authorizing committee has approved legislation (S. 832) that addresses the troubling aspects of the use and disclosure of taxpayer information by return preparers for non-tax purposes and offshore disclosures. The Committee directs the IRS to be strictly attentive to this legislation in promulgating the final regulation relating to section 7216 of the Internal Revenue Code.

*IRS Staffing Plans.*—The Committee continues to support adequate staffing levels for effective tax administration and supports the staffing plans for the Internal Revenue Service facilities in the communities of Martinsburg and Beckley, West Virginia. Therefore, the Committee urges the IRS, within the constraints of the fiscal year 2007 funding levels, to make no staffing reductions at the Martinsburg National Computing Center and the programmed level at the Finance Center in Beckley, West Virginia. Further, the Committee directs the IRS to provide an annual report to the Committee on its efforts to protect and increase staffing levels at the Martinsburg and Beckley IRS facilities.

*Taxpayer Services in Alaska and Hawaii.*—Given the remote distance of Alaska and Hawaii from the U.S. mainland and the difficulty experienced by Alaska and Hawaii taxpayers in receiving needed tax assistance by the national toll-free line, it is imperative that the Taxpayer Advocate Service Center in each of these States is fully staffed and capable of resolving taxpayer problems of the

most complex nature. The Committee directs the Internal Revenue Service to continue to staff each Taxpayer Advocate Service Center in each of these States with a Collection Technical Advisor and an Examination Technical Advisor in addition to the current complement of office staff.

#### TAXPAYER SERVICES

Appropriations, 2006 .....	\$2,142,275,000
Budget estimate, 2007 .....	2,079,151,000
House allowance .....	2,059,151,000
Committee recommendation .....	2,110,000,000

#### PROGRAM DESCRIPTION

The Taxpayer Services appropriation provides for taxpayer services, including forms and publications; processing tax returns and related documents; filing and account services; taxpayer advocacy services; and assisting taxpayers to understand their tax obligations, correctly file their returns, and pay taxes due in a timely manner.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$2,110,000,000 for Taxpayer Services, which is \$32,275,000 below the fiscal year 2006 enacted level and \$30,849,000 above the budget request. Bill language is included providing not less than \$4,500,000 for the tax counseling for the elderly program and not less than \$9,000,000 for low-income taxpayer clinic grants.

*Taxpayer Assistance Blueprint.*—In response to the Committee's directive in the fiscal year 2006 Treasury Appropriations Act, the IRS, in consultation with the IRS Oversight Board and the National Taxpayer Advocate, began developing a "Taxpayer Assistance Blueprint" to develop a 5-year strategic plan on taxpayer services. As directed by the Committee, the IRS is reviewing its current portfolio of taxpayer services and exploring other types of services to meet the needs of taxpayers. Further, this plan will detail how it plans to meet the service needs on a geographic basis (by State and major metropolitan area), including any proposals to realign existing resources to improve taxpayer access to services, and address how the plan will improve taxpayer service based on reliable data on taxpayer service needs. The plan will also address efforts to expand efforts to partner with State and local governments and private entities to improve taxpayer services. The Committee commends the IRS, the IRS Oversight Board, and the National Taxpayer Advocate for their time and efforts on the Blueprint. Further, the Committee appreciates the efforts to conduct research on taxpayer needs and taxpayer service performance.

The Committee understands that the Blueprint may not be completed in time to be used as part of the development of the fiscal year 2008 budget request. However, the Committee strongly believes that the Blueprint should be incorporated in subsequent budget requests.

*E-Filing.*—The Committee is disappointed with the IRS's performance in increasing the number of tax filers who submit their returns electronically and without additional cost. Most experts, in-

cluding the IRS Oversight Board, believe that the IRS will not meet its congressionally mandated goal of having 80 percent of tax returns filed electronically by 2007. Accordingly, the Committee directs the IRS, in consultation with stakeholders, such as the National Taxpayer Advocate, to develop a detailed strategic plan to meet the 80 percent e-File goal. This plan should be submitted to the House and Senate Committees on Appropriations by no later than June 4, 2007.

*Research.*—The Committee believes that the IRS will provide better taxpayer service, resulting in improved compliance, if taxpayer behavior is better understood and applied research is integrated into the development of taxpayer service and enforcement initiatives. Toward that end, the Committee directs the National Taxpayer Advocate, in consultation with IRS Office of Research, to report to the Appropriations Committees of the House and Senate by September 30, 2007, on activities that tax administrators in other nations undertake to understand taxpayer behavior. The report shall also make recommendations for the establishment of a cognitive learning and applied research laboratory. In addition, the report should identify innovative methods of understanding taxpayer behavior, including the use of agent-based computer simulations, and recommend whether the establishment of a cognitive learning laboratory would improve tax administration.

#### ENFORCEMENT

Appropriations, 2006 .....	\$4,701,970,000
Budget estimate, 2007 .....	4,797,126,000
House allowance .....	4,757,126,000
Committee recommendation .....	4,797,126,000

#### PROGRAM DESCRIPTION

The Enforcement appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination findings; technical rulings; monitoring employee pension plans; determining qualifications of organizations seeking tax-exempt status; examining tax returns of exempt organizations; enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws; identifying under reporting of tax obligations; securing unfiled tax returns; and collecting unpaid accounts.

#### COMMITTEE RECOMMENDATION

The Committee recommends the budget request level of \$4,797,126,000 for enforcement activities for fiscal year 2007. This amount is \$95,156,000 above the fiscal year 2006 enacted level. Bill language is included to transfer not less than \$55,584,000 to the Interagency Crime and Drug Enforcement [ICDE] program and to transfer up to \$10,000,000 from enforcement to the Operations Support account to support the ICDE program.

*National Research Program.*—The Committee strongly supports the work of the National Research Program [NRP] to increase understanding on the tax gap. While the IRS's NRP has done a commendable job in updating the tax gap estimates, there remain significant gaps in the gap. The IRS and others have expressed con-

cerns with the certainty of the overall tax gap estimate in part because some areas of the estimate rely on old data (from the 1970s and 1980s) and it has no estimates for other areas of the tax gap. GAO, TIGTA, the National Taxpayer Advocate, and the IRS Oversight Board also have all recommended greater and more frequent data collection and studies of the tax gap. The Committee agrees with this recommendation. Accordingly, the Committee directs the IRS to submit a detailed research plan that will address the shortfalls in the NRP. The plan should include the use of a rolling sample, which was recommended by the IRS Oversight Board and GAO that covers all types of tax returns. Under this approach, one-fifth of the sample could be collected every year. The plan should include cost estimates of implementing the plan. The plan should be developed in consultation with the National Taxpayer Advocate and approved by the IRS Oversight Board prior to its submission to the House and Senate Committees on Appropriations by no later than March 12, 2007. Finally, to cover the costs of implementing the plan, the Committee encourages the IRS to request the use of unobligated funds as part of the reprogramming authority provided under this act.

The Committee believes that an understanding of the causes of inadvertent noncompliance and the role of preparers in facilitating both inadvertent and intentional noncompliance will improve tax administration and should inform IRS's allocation of resources. Thus, in administering its NRP for fiscal year 2007, the Committee directs the IRS to collect information on the causes of inadvertent noncompliance, the type of return preparation method (self, volunteer, or paid preparer), and whether the taxpayer was represented during the examination. The Committee directs the National Taxpayer Advocate to assist with this effort.

*Misclassification of Contractors.*—The Committee is concerned with the misclassification of workers as independent contractors, who are filed under IRS form 1099. Many of these workers should be correctly classified as employees and filed under W-2 forms. This misclassification leads to the underreporting of self-employment taxes, which the IRS estimates accounts for \$148,000,000,000 per year and 43 percent of the gross tax gap. Therefore, the Committee strongly urges the IRS to provide increased tax enforcement in industries where misclassification of employees is widespread.

#### OPERATIONS SUPPORT

Appropriations, 2006 .....	\$3,467,443,000
Budget estimate, 2007 .....	3,488,404,000
House allowance .....	3,459,152,000
Committee recommendation .....	3,487,000,000

#### PROGRAM DESCRIPTION

The Operations Support appropriation provides for overall planning and direction of the IRS including shared service support related to facilities services, rent payments, printing, postage, and security; other support functions that are considered overhead but essential to the successful operation of IRS programs including resources for headquarters management activities, including IRS-wide support for strategic planning, communications and liaison, fi-

nance, human resources, EEO and diversity; research and statistics of income; and necessary expenses for information systems and telecommunication support, including developmental information systems and operational information systems.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$3,487,000,000 for Operations Support for fiscal year 2007. This amount is \$19,557,000 above the fiscal year 2006 enacted level and \$1,404,000 below the budget request. Bill language is included allowing \$75,000,000 of these funds to remain available until September 30, 2009; up to \$1,000,000 for research activities; and \$50,000 for official reception and representation. The Committee has provided additional reception and representation funds due to the IRS's growing role in international tax administration. These funds will be used to host meetings with international tax organizations such as the Joint International Tax Shelter Information Centre, Inter-American Center for Tax Administrators, and others.

*IT Management and Oversight.*—The IRS has made significant strides in improving the management and oversight of its business systems modernization [BSM] program. Unfortunately, the IRS has not adequately addressed major systemic problems with its non-BSM portfolio of information technology projects as demonstrated by recent failures during the past filing season. TIGTA has identified problems in several areas of IT management and oversight including, but not limited to, such areas as: classification of investment projects, oversight and governance structure, risk management, contingency planning, and contractor performance and accountability. Further, it appears that the Department of the Treasury and the Office of Management and Budget have not exercised proper oversight for the business cases (OMB Circular A-11 Exhibit 300) used to justify the funding of the IRS's IT projects.

To the IRS's credit, it has begun addressing some of its IT problems through a reorganization of the Modernization and Information Technology Services [MITS] organization that began earlier this year. Nevertheless, the Committee remains troubled by the IT management and oversight problems at the IRS, as demonstrated by the failures with the Electronic Fraud Detection System, and it expects better performance to ensure it can support its tax administration activities. Accordingly, the Committee directs the IRS to review its entire non-BSM IT portfolio (regardless of tier classification) and make any changes as necessary to ensure that each project has (1) been properly classified for investment decision and management purposes, (2) the appropriate governance structure in place (such as an executive steering committee), (3) a risk management plan, (4) a contingency plan in case of breakdowns or failures in scheduled deliverables, (5) adequate provisions in the contracts to ensure penalties and repayment to the agency if performance is not met, (6) adequate contractor staffing and management in place to fulfill the contract terms and deliverables, and (7) been certified by the head of the relevant IRS business unit that the project is deemed necessary for its operations and meets its requirements. The Committee also directs the Chief Information Officer to certify that this review has been completed and submits such certification

to the IRS Oversight Board, the Department of the Treasury, the Office of Management and Budget, the House and Senate Committees on Appropriations, the House Ways and Means Committee, and the Senate Finance Committee by no later than 90 days after the date of enactment of this act. This certification should be accompanied by a report on every individual IT project reviewed, a list of projects considered to be high risk, and any actions being taken to address problems identified by this review. Last, the Committee directs the IRS to provide monthly briefings to the IRS Oversight Board and TIGTA on the status of its IT portfolio and to report immediately on any project that has experienced significant cost variances or milestone delivery date slippages.

*Modernization Vision and Strategy.*—The Committee highly commends the IRS for developing a new vision and strategy plan for IT modernization. This plan was a joint effort between the MITS organization and the IRS business units to develop a comprehensive business strategy for the IRS's IT needs. The Committee recommends that the plan be further refined to include a finer level of detail, and specifically, to include milestones and out-year cost estimates.

*BSA Direct.*—The Committee appreciates the IRS's assistance provided to FinCEN in preventing any disruption in information technology service in administering BSA filing data activities by allowing FinCEN to use the IRS's WebCBRS system. The Committee directs the IRS to continue providing such assistance and to coordinate with FinCEN on future BSA filing data needs.

#### BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2006 .....	\$242,010,000
Budget estimate, 2007 .....	212,310,000
House allowance .....	197,060,000
Committee recommendation .....	245,000,000

#### PROGRAM DESCRIPTION

This account provides for revamping business practices and acquiring new technology. The agency is using a formal methodology to prioritize, approve, fund, and evaluate its portfolio of business systems modernization investments. This methodology is designed to enforce a documented, repeatable, and measurable process for managing investments throughout their life cycle. The process is reviewed by the Government Accountability Office on a regular basis as part of the submission requirements for expenditure plans to the House and Senate Committees on Appropriations. The expenditure plan approval process prior to the use of appropriated funds continues for fiscal year 2007.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$245,000,000 for Business Systems Modernization [BSM] for fiscal year 2007. This amount is \$32,690,000 above the budget request and \$2,990,000 above the fiscal year 2006 enacted level. Bill language is included requiring an expenditure plan for these funds. Under the new appropriations account structure, the BSM account has been modified to include

funding for IRS staffing associated with direct management of the BSM program.

The Committee continues to believe that BSM is the IRS's highest management and administrative priority that will require management's focus and attention for several years. To the IRS's credit, the program has made steady progress over the past 2 years. Unfortunately, the budget request cuts BSM by \$29,700,000 or 15.2 percent from the fiscal year 2006 enacted level. The Committee is troubled by the proposed cut since it will slow the momentum of the BSM's progress in modernizing IRS's antiquated tax administration and financial systems. GAO noted that the proposed funding level would likely affect the IRS's ability to deliver the functionality planned for the fiscal year and could result in project delays and/or scope reductions. Further, this could in turn impact the long-term pace and cost of modernizing IRS tax systems and of ultimately improving taxpayer service and strengthening enforcement.

Based on the views of the GAO and the IRS Oversight Board, the Committee has included an additional \$32,690,000 for the BSM program. The Committee directs that these additional funds be used for the modernized e-File program based on the recommendation of the IRS Oversight Board.

#### HEALTH INSURANCE TAX CREDIT ADMINISTRATION

Appropriations, 2006 .....	\$20,008,000
Budget estimate, 2007 .....	14,846,000
House allowance .....	14,846,000
Committee recommendation .....	14,846,000

#### PROGRAM DESCRIPTION

This appropriation provides operating funds to administer the advance payment feature of a new Trade Adjustment Assistance health insurance tax credit program to assist dislocated workers with their health insurance premiums. The tax credit program was enacted by the Trade Act of 2002 (Public Law 107-210) and became effective in August 2003.

#### COMMITTEE RECOMMENDATION

The Committee recommendation provides the budget request level of \$14,846,000 for the Health Insurance Tax Credit Administration in fiscal year 2007. This amount is \$5,162,000 below the fiscal year 2006 enacted level.

#### IRS OVERSIGHT BOARD

Appropriations, 2006 .....	\$1,500,000
Budget estimate, 2007 .....	1,500,000
House allowance .....	1,500,000
Committee recommendation .....	2,000,000

#### PROGRAM DESCRIPTION

The IRS Oversight Board was established by the Congress under the IRS Restructuring and Reform Act of 1998 [RRA]. Its legislatively-mandated mission is to oversee the IRS in its administration, management, conduct, direction, and supervision of the execution



and application of the internal revenue laws. The Board is composed of nine members, appointed by the President and confirmed by the Senate. RRA provided the Board with specific responsibilities to review and approve strategic and performance plans; review operational functions; review the selection, evaluation, and compensation of senior executives; and review and approve the budget request of the IRS.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$2,000,000 for the IRS Oversight Board for fiscal year 2007. This amount is \$500,000 above the budget request and the fiscal year 2006 enacted levels. These additional funds are provided to increase the Board's oversight of IRS operations, primarily in the area of information technology.

#### ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

##### (INCLUDING TRANSFER OF FUNDS)

The Committee has included five administrative provisions carried in prior appropriations acts and six new administrative provisions. The administrative provisions are as follows:

Section 201 continues a provision allowing the IRS to transfer up to 5 percent of any appropriation made available to the Agency in fiscal year 2007 to any other IRS account, with the exception of the Enforcement account, which is limited to 3 percent. The IRS is directed to follow the Committee's reprogramming procedures outlined earlier in this report.

Section 202 continues a provision maintaining a training program in taxpayers' rights and cross-cultural relations.

Section 203 continues a provision requiring the IRS to institute and enforce policies and procedures, which will safeguard the confidentiality of taxpayer information.

Section 204 continues a provision directing that funds shall be available for improved facilities and increased manpower to support a 1-800 help line service for taxpayers.

Section 205 continues a provision designating not less than \$170,000,000 for the Taxpayer Advocate Service [TAS]. Further, this amount does not include the normal overhead expenses that IRS provides outside of the TAS account. Accordingly, the Committee directs the IRS to continue providing overhead support from accounts outside of TAS.

Section 206 includes a new provision requiring the IRS to submit its fiscal year 2008 budget justification in the same format provided under this act.

Section 207 is a new provision that allows the IRS to transfer up to \$10,000,000 from IRS appropriations accounts to manage the Earned Income Tax Credit program.

Section 208 is a new provision that allows the IRS to transfer up to \$35,000,000 from the Taxpayer Services or Enforcement accounts to the Operations Support account for purposes of enhancing information technology systems that support taxpayer service and enforcement activities.

Section 209 is a new provision that establishes new IRS appropriations accounts as Taxpayer Services, Enforcement, and Operations Support.

Section 210 is a new provision that allows the IRS to transfer funds among its new accounts to implement the new account structure in this act.

Section 211 is a new provision that requires the IRS to develop a tax gap strategic plan that details the approaches it will use to achieve a voluntary compliance rate of 85 percent in 2009. This goal was established by the administration in its fiscal year 2007 budget justifications.

#### ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

##### (INCLUDING TRANSFER OF FUNDS)

The Committee includes nine administrative provisions carried over from prior appropriations acts and two new administrative provisions. The administrative provisions are as follows:

Section 212 authorizes certain basic services within the Treasury Department in fiscal year 2007, including purchase of uniforms; maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; and contracts with the Department of State for health and medical services to employees and their dependents serving in foreign countries.

Section 213 authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 214 authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 215 requires the purchase of law enforcement vehicles be consistent with Departmental vehicle management principles.

Section 216 prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the \$1 Federal Reserve Note.

Section 217 authorizes the Secretary of the Treasury to transfer funds from Salaries and Expenses, Financial Management Service, to the Debt Collection Fund as necessary to cover the costs of debt collection. Such amounts shall be reimbursed to the Salaries and Expenses account from debt collections received in the Debt Collection Fund.

Section 218 amends section 122 of Public Law 105–119 (5 U.S.C. 3104 note), by striking “8 years” and inserting “9 years”.

Section 219 requires prior approval for the construction and operation of a museum by the United States Mint.

Section 220 prohibits the merger of the United States Mint and the Bureau of Engraving and Printing without prior approval of the committees of jurisdiction.

Section 221 is a new provision that authorizes the Department’s intelligence activities. This language was included at the request of the Office of the Director of National Intelligence.

Section 222 is a new provision that requires the Department to submit quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, unexpended, and excess funds in each program and activity and requires the Department to submit additional, updated budget information to these Committees upon request.

### TITLE III

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Appropriations, 2006 .....	\$33,593,827,000
Budget estimate, 2007 .....	34,118,007,000
House allowance .....	35,297,266,000
Committee recommendation .....	36,587,572,000

#### PROGRAM DESCRIPTION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89–174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation's housing needs, fair housing opportunities, and improving and developing the Nation's communities.

In carrying out the mission of serving the needs and interests of the Nation's communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunity; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD administers programs to protect the homebuyer in the marketplace and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

#### COMMITTEE RECOMMENDATION

The Committee recommends for fiscal year 2007 an appropriation of \$36,587,572,000 for the Department of Housing and Urban Development. This is \$2,993,745,000 above the fiscal year 2006 enacted level and \$2,469,565,000 above the budget request.

#### TENANT-BASED RENTAL ASSISTANCE

##### (INCLUDING RESCISSION AND TRANSFERS OF FUNDS)

Appropriations, 2006 <sup>1</sup> .....	\$15,417,919,000
Budget estimate, 2007 <sup>1</sup> .....	15,920,000,000
House allowance <sup>1</sup> .....	15,846,400,000
Committee recommendation <sup>1</sup> .....	15,920,000,000

<sup>1</sup> Include an advance appropriation of some \$4,200,000,000.

## PROGRAM DESCRIPTION

This account provides funding for the section 8 tenant-based (voucher) program. Section 8 tenant-based housing assistance is one of the principle appropriations for Federal housing assistance and provides rental housing assistance to over 2 million families. Further, it funds incremental vouchers to assist non-elderly disabled families, to provide vouchers for tenants that live in projects where the owner of the project has decided to leave the section 8 program, or for replacement of units lost from the assisted housing inventory (tenant protection vouchers), etc. Under these programs, eligible low-income families pay 30 percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard. This account also provides funding for the Contract Administrator program, Family Self-Sufficiency [FSS] and the Family Unification program. Under FSS, families receive job training and employment that should lead to a decrease in their dependency on welfare programs and move towards economic self-sufficiency.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$15,920,000,000 for fiscal year 2007, including \$4,200,000,000 as an advance appropriation to be made available on October 1, 2007. These funds are \$502,081,000 above the fiscal year 2006 level. Of these amounts, the Committee has allocated \$14,436,200,000 for the renewal of all expiring section 8 contracts; \$149,300,000 for section 8 preservation contracts through tenant protections; \$47,500,000 for family self-sufficiency contracts; \$1,271,100,000 for administrative fees; up to \$10,000,000 for the Family Unification program that provides vouchers to families for whom the lack of adequate housing is a primary factor in the separation, or the threat of imminent separation, of children from their families, and also provides vouchers to youths 18 to 21 years old who left foster care at age 16 or older and lack adequate housing; and \$5,900,000 for transfer to the Working Capital Fund.

This account provides funding for section 8 tenant-based housing programs based on a budget-based approach that seeks to ensure funding for vouchers in use while permitting public housing agencies [PHAs] to fund vouchers up to the authorized level. This account funds housing for over 2 million families. Moreover, this level of funding will ensure that PHAs have adequate funds for all vouchers-in-use. The Committee expects that many PHAs will be able to pay the cost of all vouchers up to the legal authorized level.

In addition, the account funds incremental vouchers to assist non-elderly disabled families, vouchers for tenants that live in projects where the owner of the project has decided to opt-out of the section 8 project-based program, or for the replacement of other units lost from the assisted housing inventory. The Committee remains concerned over the increased costs of section 8 rents over the last few years and what these costs could mean to this program in the future especially in consideration of increasing utility costs. Nevertheless, the Committee believes that many PHAs have not taken prudent steps in reducing the energy costs associated with

public housing. High costs of fuel are only one component related to high energy bills.

The Committee believes that the budget-based approach will ensure a more rigorous rent policy and fiscally responsible approach. As a result, the Committee directs HUD to report semi-annually on rent increases for affordable, low-income housing throughout the Nation, including the cost to the Government for its failure to promote or implement a policy for developing low-income housing, especially in tight rental housing markets. The Committee also directs HUD to report annually, beginning no later than June 30, 2007 on the effectiveness of this budget-based approach to vouchers, including the extent to which available housing units are lost because of new cost adjustments as well as the impact of this policy on extremely low-income families (those at or below 30 percent of median income for an area).

The Committee has also broadened the base for determining the funding for section 8 vouchers for each PHA by eliminating the 3 month May through July snapshot of voucher costs and replacing it with the most recent 12 month period as a method for providing accurate and reliable data. The legislation also includes up to \$100,000,000 for HUD to award funds to PHAs that were unfairly disadvantaged from excessive costs due to portability over the last year as well as other anomalies such as high utility costs. This funding should eliminate the need for any central fund.

The Committee includes \$149,300,000 for tenant protection assistance. This is the same as the budget request and \$28,900,000 less than the fiscal year 2006 level.

The Committee remains concerned that HUD is not committed to maintaining section 8 project-based housing and may be encouraging owners to opt out of the program. This would be a tremendous mistake since affordable housing needs are growing while the stock of affordable low-income housing is shrinking. HUD is directed to report no later than June 30, 2007 on the status of HUD's efforts to retain section 8 project-based housing, including a 5-year analysis of units lost and retained, by year, State, and locality. HUD is also directed to provide an analysis of all efforts made by HUD to preserve low-income section 8 units. The Committee also directs GAO to again assess HUD's efforts and success in preserving HUD-assisted low-income housing, especially section 8 project-based housing, including recommendations on how better to preserve this housing. The Committee expects an annual report on this issue.

The Committee directs the Secretary of Housing and Urban Development, in consultation with the Secretary of Veterans Affairs, to conduct a study of the Rental Vouchers for Veterans Affairs Supported Housing Program authorized under title 42 United States Code section 1437f(o)(19) and provide an overview of the program including the total number of vouchers, average cost, locations receiving vouchers, selection procedure and the cost of maintaining such vouchers. The Secretary shall submit such report to the Committees on Appropriation not later than 120 days after the enactment of this act.

The Committee recommends \$1,271,100,000 for administrative fees for PHAs. These funds are to be allocated on a formula tied

to units under lease. These funds are intended to ensure the success of the section 8 voucher program, but can be used to provide related low-income housing, including development costs.

The Committee provides \$47,500,000 for Family Self-Sufficiency coordinators. These funds are designed to promote self-sufficiency by moving from welfare to work.

The Committee includes \$5,900,000 to transfer to HUD's Working Capital Fund which is needed for HUD to complete an effective IT system to track HUD funding.

#### HOUSING CERTIFICATE FUND

##### (RESCISSION)

Appropriations, 2006 .....	-\$2,050,000,000
Budget estimate, 2007 .....	-2,000,000,000
House allowance .....	-2,000,000,000
Committee recommendation .....	-2,000,000,000

##### COMMITTEE RECOMMENDATION

The Committee recommends a rescission of \$2,000,000,000, the same as the budget request and \$50,000,000 less than the fiscal year 2006 rescission level. The administration has been unable to demonstrate there are adequate "excess" section 8 funds available for rescission, which has been the source for prior year rescissions. Instead, the administration appears likely to rescind funds from congressional priority programs such as the Homeless Assistance programs, HOME, HOPE VI section 202 housing for elderly and section 811 Housing for Persons with Disabilities. As a result, because both HUD and OMB have recommended this rescission from section 8 funds, to the extent there are inadequate "excess" section 8 funding for the rescission, the next source of rescission funding is to be obtained, in part, first from an amount equal to 10 percent of HUD salaries and expenses and an amount equal to 10 percent of OMB funding. Only after this source of funds are exhausted can unobligated funds from other HUD programs be used to satisfy this rescission.

#### PROJECT-BASED RENTAL ASSISTANCE

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$5,037,417,000
Budget estimate, 2007 .....	5,675,700,000
House allowance .....	5,475,700,000
Committee recommendation .....	5,675,700,000

##### PROJECT DESCRIPTION

Section 8 project-based rental assistance provides a rental subsidy to a private landlord that is tied to a specific housing unit as opposed to a voucher which allows a recipient to seek a unit, subject primarily to certain rent caps. Amounts in this account include funding for the renewal of expiring 8 project-based contracts, including section 8, moderate rehabilitation, and single room occupancy [SRO] housing.

## COMMITTEE RECOMMENDATION

The Committee provides a total of \$5,675,700,000 for the annual renewal of project-based contracts, of which up to \$145,500,000 is for the cost of contract administrators, \$3,960,000 is for the Working Capital Fund. This funding is equal to the budget request and \$635,937,000 above the fiscal year 2006 level. As discussed in the Tenant-Based Rental Assistance account, GAO is directed to annually assess the status of HUD's efforts to preserve assisted housing.

## PUBLIC HOUSING CAPITAL FUND

## (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$2,438,964,000
Budget estimate, 2007 .....	2,178,000,000
House allowance .....	2,208,000,000
Committee recommendation .....	2,460,000,000

## PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authorities), including management improvements, resident relocation and homeownership activities.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,460,000,000 for the public housing capital fund, which is \$282,000,000 above the budget request and \$21,036,000 above the fiscal year 2006 enacted level.

Of the amount made available under this section, up to \$30,000,000 is for supportive services for residents of public housing. Per the budget request, \$7,920,000 is available from this account to pay for the costs of administrative and judicial receiverships and \$14,850,000 shall be transferred to the Working Capital Fund.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937, but is provided up to \$19,800,000 for emergency capital needs.

The bill includes up to \$15,345,000 to support the ongoing financial and physical assessment activities at the Real Estate Assessment Center [REAC].

## PUBLIC HOUSING OPERATING FUND

Appropriations, 2006 .....	\$3,564,000,000
Budget estimate, 2007 .....	3,564,000,000
House allowance .....	3,564,000,000
Committee recommendation .....	3,660,000,000

## PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to some 3,050 public housing authorities (except Indian housing authorities) with a total of over 1.2 million units under management in order to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs.



## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,660,000,000 for the public housing operating fund, which is \$96,000,000 above the fiscal year 2006 level and \$96,000,000 more than the budget request. Additional funds have been included in anticipation of high utility costs.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937. The bill includes language from the fiscal year 2004 appropriations bill that prohibits the use of operating funds to pay for the operating expenses for a prior fiscal year.

## REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING [HOPE VI]

Appropriations, 2006 .....	\$99,000,000
Budget estimate, 2007 .....	
House allowance .....	
Committee recommendation .....	100,000,000

## PROGRAM DESCRIPTION

The “Revitalization of severely distressed public housing” [HOPE VI] account makes awards to public housing authorities on a competitive basis to demolish obsolete or failed developments or to revitalize, where appropriate, sites upon which these developments exist. This is a focused effort to eliminate public housing which was, in many cases, poorly located, ill-designed, and not well constructed. Such unsuitable housing has been very expensive to operate, and difficult to manage effectively due to multiple deficiencies.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$100,000,000 for the “HOPE VI” account, which is \$100,000,000 above the budget request and \$1,000,000 above the fiscal year 2006 level. The administration also sought to eliminate this program by rescinding \$99,000,000 of the fiscal year 2006 funding. The Committee urges the Department to reconsider the elimination of the HOPE VI program, and consider a restructured HOPE VI program that is more efficient, cost effective and still capable of leveraging other funds for rebuilding often distressed communities in which these “HOPE VI” projects are located.

This is an important program that has revitalized many distressed properties and has anchored revitalization activities for the many communities in which these properties are located. The Committee acknowledges that many of the funds appropriated for this program have yet to be expended as projects are delayed and remain in the pipeline due to the complexities related to the funding of these types of projects as well as local controversies between interested local parties. Nevertheless, the program has proven to be very successful in transforming the lives of the assisted families and in rebuilding often distressed communities.

## NATIVE AMERICAN HOUSING BLOCK GRANT

## (INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2006 .....	\$623,700,000
Budget estimate, 2007 .....	625,680,000
House allowance .....	625,680,000
Committee recommendation .....	625,680,000

## PROGRAM DESCRIPTION

This account funds the native American housing block grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 [NAHASDA]. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address the housing needs within their communities. Under this block grant, Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan.

## COMMITTEE RECOMMENDATION

The Committee recommends \$625,680,000 for the Native American Housing Block Grant, of which \$1,980,000 is set aside for a credit subsidy for the section 601 Loan Guarantee Program. The Committee recommendation is the same as the budget request and \$1,980,000 above the fiscal year 2006 enacted level.

The Committee continues to believe that training and technical assistance in support of NAHASDA should be shared, with \$2,000,000 to be administered by the National American Indian Housing Council [NAIHC] and \$3,465,000 by HUD in support of the inspection of Indian housing units, contract expertise, training and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance. The Committee is concerned that HUD has attempted to micro manage many activities of the NAIHC to the detriment of NAIHC, the tribes, and the program. These policies have also led to unacceptable levels of carryover. The Committee expects HUD to resolve these issues while ensuring NAIHC is able to make effective and meaningful contributions to tribal heads.

The Committee continues to be very concerned with both the policy and method by which HUD revised the eligibility requirements under which HUD allocates the Native American Housing Assistance Block Grant [NAHASDA]. On April 19, 2004, HUD issued its NAHASDA funding for fiscal year 2004 by using "multi-race" census data for making funding allocations as opposed to funding tribes based on members of a "single race". While this may be a legitimate approach, HUD's allocation is based on census data that relies on self-certification. Equally troubling is the fact that HUD failed to use "notice and comment" rulemaking in making such a substantial policy change. This concern is reinforced by the fact that HUD was unable to reach a consensus among tribal groups on this policy change. Consequently, while the Committee is not looking to challenge the policy change at this time, the Committee does direct HUD to reassess this decision through notice and comment

rulemaking. The Committee also directs HUD to establish oversight procedures to ensure that tribal members are qualified for purposes of the NAHASDA tribal funding allocations.

#### NATIVE HAWAIIAN HOUSING BLOCK GRANT

Appropriations, 2006 .....	\$8,727,000
Budget estimate, 2007 .....	5,940,000
House allowance .....	8,815,000
Committee recommendation .....	8,815,000

#### PROGRAM DESCRIPTION

The Hawaiian Homelands Homeownership Act of 2000 created the Native Hawaiian Housing Block Grant program to provide grants to State of Hawaiian Home Lands for housing and housing related assistance to develop, maintain, and operate affordable housing for eligible low income Native Hawaiian families.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$8,815,000 for this program which is \$88,000 more than the fiscal year 2006 enacted level and \$2,875,000 more than the budget request. Of the amount provided, \$299,211 shall be for training and technical assistance activities.

#### INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

##### (INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans
Appropriations, 2006 .....	\$3,960,000	\$116,276,000
Budget estimate, 2007 .....	5,940,000	251,000,000
House allowance .....	3,960,000	116,276,000
Committee recommendation .....	5,940,000	251,000,000

#### PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique status of Indian trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$5,940,000 in program subsidies to support a loan guarantee level of \$251,000,000. This is \$1,980,000 more than both the fiscal year 2006 enacted level and the same as the budget request.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM  
ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans
Appropriations, 2006 .....	\$891,000	\$35,714,000
Budget estimate, 2007 .....	1,010,000	43,000,000
House allowance .....	1,010,000	43,000,000
Committee recommendation .....	1,010,000	43,000,000

PROGRAM DESCRIPTION

This program provides access to private financing for native Hawaiians who otherwise could not acquire housing finance because of the unique status of the Hawaiians Home Lands as trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,010,000 in program subsidies to support a loan guarantee level of \$43,000,000. The subsidy level is \$119,000 more than the fiscal year 2006 level and the same as the budget request.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

Appropriations, 2006 .....	\$286,110,000
Budget estimate, 2007 .....	300,100,000
House allowance .....	300,100,000
Committee recommendation .....	295,000,000

PROGRAM DESCRIPTION

The Housing Opportunities for Persons with AIDS [HOPWA] Program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons living with HIV/AIDS and their families.

Statutorily, 90 percent of appropriated funds are distributed by formula to qualifying States and metropolitan areas on the basis of the number and incidence of AIDS cases reported to Centers for Disease Control and Prevention by March 31 of the year preceding the appropriation year. The remaining 10 percent of funds are distributed through a national competition.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$295,000,000 for this program, which is \$8,890,000 more than the fiscal year 2006 enacted level and \$5,100,000 below the budget request. The Committee also requires HUD to allocate these funds in a manner that preserves existing HOPWA programs to the extent these programs are determined to be meeting the needs of persons with AIDS.

## OFFICE OF RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriations, 2006 .....	\$16,830,000
Budget estimate, 2007 .....	
House allowance .....	
Committee recommendation .....	20,000,000

## PROGRAM DESCRIPTION

The Office of Rural Housing and Economic Development was established to ensure that the Department has a comprehensive approach to rural housing and rural economic development issues. The account includes funding for technical assistance and capacity building in rural, underserved areas, and grants for Indian tribes, State housing finance agencies, State and local economic development agencies, rural nonprofits and rural community development corporations to pursue strategies designed to meet rural housing and economic development needs.

## COMMITTEE RECOMMENDATION

The Committee recommends \$20,000,000 for the Office of Rural Housing and Economic Development for fiscal year 2007 to support housing and economic development in rural communities as defined by USDA and HUD. This funding level is \$3,170,000 above the fiscal year 2006 level and \$20,000,000 above the budget request.

The Committee does not accept the administration's recommendation to eliminate funding for this program. The Committee believes that the Office of Rural Housing and Economic Development plays an important role in HUD's community development activities. Twenty-five percent of nonmetropolitan homes are renter-occupied, and the high cost of housing burdens those in rural areas, as it does in urban communities. Furthermore, the Committee notes that the programs of the Office of Rural Housing and Economic Development are sufficiently different from the housing programs administered by the Department of Agriculture to warrant separate appropriations.

HUD is directed to administer this program according to existing regulatory requirements. It is expected that any changes to the program shall be made subject to notice and comment rulemaking.

## COMMUNITY DEVELOPMENT FUND

## (INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2006 .....	\$4,177,800,000
Budget estimate, 2007 .....	3,032,000,000
House allowance .....	4,215,000,000
Committee recommendation .....	4,215,000,000

## PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed

to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Seventy percent of appropriated funds are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for special purpose grants and Indian tribes.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,215,000,000 for the Community Development Fund in fiscal year 2007. This is an increase of \$1,183,000,000 above the budget request for fiscal year 2007 and \$37,200,000 over the fiscal year 2006 enacted level.

The administration has proposed to reform and dramatically reduce funding for the Community Development Block Grant [CDBG] program in fiscal year 2007 by \$1,183,000,000 or 28 percent from the fiscal year 2006 level. The Committee recognizes that adequately funding the CDBG program is essential for HUD to meet its core mission in addressing State and local community needs for low and moderate income residents across this Nation. While some reforms may be warranted, the reforms presented by the administration are very controversial.

The Committee has not included funding for Youthbuild. The fiscal year 2007 budget proposes to transfer Youthbuild from HUD to the Department of Labor. The Committee recognizes that authorizing language to initiate the transfer is currently under consideration by Congress and will continue to work with the Department and interested parties to ensure that this program will not expire for fiscal year 2007.

The Committee also funds the Economic Development Initiative at \$250,000,000 and the Neighborhood Initiatives program at \$30,000,000.

The Economic Development Initiatives are as follows:

\$750,000 for the city of Craig, Alaska to acquire the Ward Cove Cannery Property in the city of Craig;

\$250,000 for the Rural Alaska Community Action Program in Anchorage, Alaska for improvements to Head Start and Early Head Start facilities in rural communities in Alaska;

\$2,500,000 for the Tongass Coast Aquarium in Ketchikan, Alaska for the construction of the aquarium;

\$1,000,000 for the Bering Straits Native Corporation in Nome, Alaska for Cape Nome Quarry upgrades;

\$1,000,000 for the city of Phenix City, Alabama for the redevelopment of downtown and riverfront;

\$400,000 for the city of Eutaw, Alabama for the revitalization of the Greene County Courthouse Square;

\$400,000 for the Cleburne County Economic and Industrial Authority, Alabama, for the development of Industrial Park;

\$500,000 for Troy University, Alabama for the establishment of the Center for International Business and Economic Development;

\$500,000 for the city of Abbeville, Alabama for a downtown revitalization project;

\$200,000 for the Tannehill Ironworks Historical State Park, Alabama for science and technology enhancements;

\$500,000 for the Calhoun County Commission, Alabama for economic development of Old Fort McClellan;

\$300,000 to the Black Warrior and Cahaba Rivers Land Trust to purchase multi-acre tract of land along Red Mountain in Jefferson County, Alabama;

\$250,000 to the Blount County Commission for updates, improvements, and the expansion of existing outdoor recreational facilities at Rickwood Caverns State Park;

\$200,000 to the Historic Blakeley State Park for infrastructure development and improvements to Blakeley State Park;

\$250,000 to the Clark County Commission to identify and prioritize infrastructure needs including acquisition of property for industrial parks, development of roads, and rail spurs;

\$500,000 for Miami Dade College in Miami-Dade County, Florida for the design and construction of the Cuban American Historical Museum at the Miami Dade College Freedom Tower;

\$300,000 for the Tampa Metropolitan Area YMCA in Tampa, Florida for construction of transitional housing for foster youth;

\$200,000 for the city of Sarasota, Florida for the planning and construction of the Robert L. Taylor Community Center;

\$800,000 for the Cobb Performing Arts Centre, Georgia for the Cobb Performing Arts Centre construction in Cobb County, Georgia;

\$200,000 for the city of Chickamauga, Georgia, for the acquisition of the Gordon Lee Mansion, in Walker County, Georgia;

\$200,000 city of Moultrie, Georgia for the creation of the Moultrie-Community Multi-Purpose Facility;

\$200,000 Morehouse School of Medicine, for the Atlanta West-End Community Revitalization Initiative, Atlanta, Georgia;

\$200,000 Cusseta-Chattahoochee County, Georgia for downtown revitalization in Cusseta-Chattahoochee County;

\$200,000 Paulding County, Georgia, for industrial park site preparation for Paulding County Airport and Business Technology Park;

\$200,000 Henry County, Georgia for the creation of a Veterans Wall of Honor in Henry County;

\$500,000 for the city of Storm Lake, Iowa for the destination park in Storm Lake;

\$380,000 for the National Cattle Congress in Waterloo, Iowa for renovations of facilities;

\$220,000 for the city of Mt. Pleasant, Iowa for redevelopment activities;

\$200,000 for the city of Sioux City, Iowa for the demolition of the former swift plant in the yards in Sioux City;

\$200,000 for the city of Waterloo, Iowa for the demolition of the Chamberlain Manufacturing facility in Waterloo;

\$1,000,000 for the city of Caldwell, Idaho for downtown revitalization;

\$500,000 for the Western Elmore County Recreation District in Mountain Home, Idaho for planning, design, and construction of a community center complex;

\$750,000 for Boise State University in Boise, Idaho for planning, design, and construction of an environmental science and economic development building;

\$500,000 for the Idaho Migrant Council for planning, design, and construction of a community center in Burley, Idaho;

\$250,000 for the Idaho State Historical Society for the Idaho Heritage Tourism and Historic Preservation Community Development Project;

\$300,000 for the Second Harvest Food Bank of East Central Indiana, Anderson, Indiana; for the construction of a warehouse;

\$400,000 for the Unity Center, Muncie, Indiana; for the construction of a community center;

\$300,000 for the Randolph County YMCA, Winchester, Indiana; for the expansion of the child day care space;

\$750,000 for Sedgwick County, Kansas for the construction of a technical education and training center;

\$750,000 for TLC for Children and Families in Olathe, Kansas for the construction of a residential treatment center;

\$500,000 for the Greater Kansas City Community Foundation in Kansas City, Missouri for the NeighborhoodsNOW neighborhood revitalization project in Wyandotte County, Kansas;

\$600,000 for the Kansas Polymer Research Center at Pittsburg State University for the purchase of equipment for its facility in Pittsburg, Kansas;

\$500,000 for the city of Atchison, Kansas to redevelop the central business district pedestrian mall in the city of Atchison;

\$500,000 for the city of Kansas City, Kansas for the downtown redevelopment and revitalization project in the city of Kansas City, Kansas;

\$200,000 for the city of Wichita, Kansas for the 21st Street industrial corridor revitalization plan and pre-engineering designs in the city of Wichita;

\$200,000 for World Impact Incorporated's Good Samaritan Clinic to renovate existing clinic facilities in the city of Wichita, Kansas;

\$1,000,000 for LaRue County, Kentucky for an Abraham Lincoln Bicentennial development project;

\$2,000,000 for the Murray-Calloway Industrial Authority in Murray, Kentucky, for the Murray-Calloway Industrial Park Development Project;

\$250,000 for the Robinson Film Center in Shreveport, Louisiana, for facility renovations;

\$250,000 for the Robert E. Nims Center for Entertainment Arts and Multi-Media Technology in Jefferson Parish, to upgrade existing facilities, equipment, and curriculum;

\$400,000 for the city of Brewer, Maine for a redevelopment project on the site of the former Eastern Fine Paper Mill;

\$200,000 for the town of Rumford, Maine to create affordable quality housing;

\$200,000 for the city of Gardiner, Maine for shore stabilization and waterfront infrastructure;



\$200,000 for community concepts in Lewiston, Maine to construct a family service center;

\$200,000 for the Shalom House in Portland, Maine to develop affordable housing for the homeless and disabled;

\$200,000 for the Holbrook Community Foundation in Harpswell, Maine to purchase Holbrook's Wharf for continued use as a working waterfront;

\$200,000 for the Penobscot Theatre Company in Bangor, Maine to renovate the Bangor Opera House;

\$200,000 for the Maine Historical Society in Portland, Maine to renovate and expand its research library;

\$200,000 to the Office of Community Development, Maine Department of Economic and Community Development, for construction of public facilities and site improvements to support education in horticultural and environmental stewardship;

\$200,000 for the Red Lake Band of Chippewa Indians, in Red Lake, Minnesota, to expand and upgrade the Red Lake Criminal Justice Complex;

\$200,000 for the Minnesota Housing Finance Agency, in St. Paul, Minnesota, for supportive housing for long-term homeless providing eight long-term homeless families and individuals with housing and rehabilitation;

\$200,000 for the Mesabi Academy of KidsPeace in Buhl, Minnesota, to renovate their therapeutic programming center;

\$200,000 for the Sheriff's Youth Programs of Minnesota, in Rochester, Minnesota, to be used for the construction of a new facility in Dodge County and a permanent chemical dependency outpatient facility in Rochester;

\$200,000 for the Audubon Center of the North Woods in Sandstone, Minnesota, for facilities construction and renovation to their center;

\$1,000,000 for the University of Mississippi Innovation and Outreach Center;

\$1,000,000 for the Historic Madison Gateway Project in Madison, Mississippi;

\$400,000 for the University of Montana Law School's facility construction and expansion, Missoula, Montana;

\$400,000 for the Southwestern Montana Family YMCA, facility construction, Dillon, Montana;

\$750,000 for Montana State University to purchase the historic Story Mansion, Bozeman, Montana;

\$500,000 for the Rocky Boy Reservation's utilization of Malmstrom Air Force Base's excess housing, Montana;

\$350,000 for Butte-Silver Bow County's rehabilitation of the Butte Naval Reserve Recreational Center, Butte, Montana;

\$500,000 for the Big Sky Economic Development Authority's redevelopment of a recreational facility, Billings, Montana;

\$400,000 for Gallatin County's efforts to redevelop a recreational facility, Bozeman, Montana;

\$200,000 for the town of Eureka, Montana to construct a community center, Eureka, MT;

\$200,000 for the city of Wilson, North Carolina to clear dilapidated buildings and warehouses;

\$200,000 for the city of Fayetteville, North Carolina for Military Business Park Development;

\$200,000 for the the Charlotte Mecklenburg Housing Partnership in Charlotte, North Carolina to redevelop the Statesville Avenue Corridor;

\$200,000 to the city of Monroe, North Carolina for the renovation of Old Armory for neighborhood revitalization;

\$200,000 to the city of Greenville, North Carolina for neighborhood revitalization;

\$200,000 for Rocky Mount, North Carolina for the Booker T. Washington renovations to provide the city with a recreational community center;

\$200,000 for Ayden, North Carolina for renovations to the Ayden Arts and Recreation Community Center;

\$200,000 for the Sabre Society of Hickory, North Carolina to construct a military aviation and transportation museum for economic development;

\$200,000 for the city of Durham, North Carolina for the West Point on the Eno Education and Resource Center;

\$200,000 for the city of Ahoskie, North Carolina for the Senior Citizen Housing Project;

\$250,000 for University of Nebraska-Omaha to develop its Center for Business Intelligence and Visualization;

\$250,000 for Northeast Community College to develop a collaborative education center in South Sioux City, Nebraska;

\$250,000 for Heartland Family Service's Sarpy County Family Services Center in Papillion, Nebraska;

\$250,000 for People's City Mission to develop Transitional Housing for Domestic Violence Victims in Lincoln, Nebraska;

\$1,000,000 for the Northern Community Investment Corporation in Saint Johnsbury, Vermont, for a broadband initiative serving the North Country of New Hampshire;

\$300,000 for Operation Flood Relief by the Southwestern Community Services, New Hampshire, to assist with damages suffered in October 2005 flood;

\$300,000 for the State of New Hampshire Department of Resources and Economic Development, for the reconstruction of the Robert Frost Farm;

\$400,000 for the Harbor Homes, Inc, Buckingham Place, Nashua New Hampshire, for the construction of transitional housing and support services for homeless military veterans;

\$400,000 NH Community Technical College-Pease Campus, Portsmouth, New Hampshire, for a photonics and laser laboratory to develop an undergraduate and certificate program to support high technology manufacturing jobs;

\$400,000 Easter Seals, Manchester, New Hampshire, to assist with the repair and renovation of the Easter seals facility following major flood damage;

\$200,000 Southwestern Community Services, Operation Flood Relief, Keene, New Hampshire, to assist with the repair and rehabilitation of housing for flood victims with uninsured, and otherwise unmet, losses following severe flooding in Cheshire and Sullivan Counties in October 2005;

\$250,000 for Doña Ana County, New Mexico, for expansion of facilities for La Piñon Sexual Assault Recovery Services in Las Cruces, New Mexico;

\$200,000 for the city of Las Cruces, New Mexico, for expansion of La Casa, Inc. facilities;

\$800,000 for Presbyterian Medical Services in Santa Fe, New Mexico, for construction of the Aztec-Bloomfield, New Mexico Head Start Facility;

\$500,000 for the city of Belen, New Mexico, for the construction of its community multi-purpose center;

\$750,000 for Bernalillo County, New Mexico, for construction of its Metropolitan Assessment and Treatment Transitional Housing Facility;

\$500,000 for Eastern New Mexico University in Portales, New Mexico for technology infrastructure and equipment;

\$1,000,000 for the Nathan Adelson Hospice in Henderson, Nevada for the construction of an adult day care center;

\$200,000 for the Transitional Housing, Inc. in Cleveland, Ohio for capitol improvements to its facility;

\$200,000 for the city of Cincinnati, Ohio for acquisition and remediation of the Queen City Barrel area;

\$200,000 for the Washington State Community College Foundation in Marietta, Ohio for planning and design of a health resources building;

\$200,000 for Defiance County in Defiance, Ohio for construction of the Defiance County Senior Services Center;

\$1,300,000 for Youngstown Central Area Community Improvement Corporation for the Youngstown Technology Center, Ohio, for land and site acquisition, demolition, facilities construction and parking facilities;

\$200,000 for Rhodes State College, Lima, Ohio, for the Integrated Manufacturing Training Center (IMTC), for equipment;

\$200,000 for Connecting our Workforce to the Future (CWF) program, Clark State Community College, Ohio for land and site acquisition, demolition, facilities construction and equipment;

\$200,000 for Glen Helen Ecology Institute, Yellow Springs, Ohio, to upgrade facilities;

\$300,000 for the Lorain County Community College Foundation in Elyria, Ohio for the construction of the Entrepreneurship Innovation Center;

\$200,000 for the city of Ardmore, Oklahoma, to construct the Ardmore Community Resources Center;

\$200,000 for Rural Enterprises Institute of Oklahoma to continue the HUD Employer Assisted Housing Project;

\$200,000 for Norman Economic Development Coalition, Norman, Oklahoma, to construct an aerospace engineering incubator;

\$200,000 for the Native American Cultural and Educational Authority, Oklahoma City, Oklahoma, to construct the American Indian Cultural Center;

\$200,000 for the Oklahoma Medical Research Foundation, Oklahoma City, Oklahoma, for the Acree-Woodworth/Massman Expansion Project;

\$200,000 for Neighbors for Kids in Depoe Bay, Oregon for the Depoe Bay Kids Zone Facility Expansion Project;

\$300,000 for the port of Toledo to develop a marine industrial site in Toledo, Oregon;

\$300,000 for the Portland Development Commission to develop affordable housing within the South Waterfront District in Portland, Oregon;

\$200,000 for the Port of Cascade Locks in Cascade Locks, Oregon for its waterfront development project;

\$200,000 for the borough of Kennett Square, Pennsylvania, for the Kennett Square Downtown Revitalization Project;

\$200,000 for the Urban League of Pittsburgh in Pittsburgh, Pennsylvania to establish The Urban Entrepreneurial Development Center;

\$200,000 for the city of Hermitage, Pennsylvania, to construct the LindenPointe Technology and Innovation Center;

\$200,000 for the Sharon Reed Development Corporation, Philadelphia, Pennsylvania for renovations as part of the 59th Street project;

\$200,000 for the Beaver County Planning Commission, Beaver, Pennsylvania, for development of the Hopewell Industrial Park Phase II;

\$200,000 for the city of Wilkes-Barre, Pennsylvania for construction at the Coal Street complex rehabilitation project;

\$200,000 for the Allegheny County Department of Planning, Pittsburgh, Pennsylvania for mixed-use development of the Mt. Ararat Community Renaissance;

\$200,000 for Erie County, Erie, Pennsylvania, to build technology-based incubator at Gannon University in the city of Erie;

\$200,000 for Muhlenberg Township, Pennsylvania for site improvement, and other pre-development preparation of a brownfield site;

\$200,000 for the city of Johnstown, Pennsylvania for the conversion of an existing brownfield into public space;

\$200,000 for Our City Reading in Reading, Pennsylvania to rehabilitate abandoned houses and provide down payment assistance to home buyers;

\$200,000 for the Redevelopment Authority of the County of Washington in Washington, Pennsylvania to rehabilitate, renovate, and restore the former Western Center Administration building into a Regional Learning Center;

\$200,000 for Universal Community Homes in Philadelphia, Pennsylvania for planning, design, demolition and construction of affordable housing units;

\$200,000 for Edgemont Community Improvement Association in Harrisburg, Pennsylvania for the renovation, rehabilitation and conversion of a former school building into a community center;

\$200,000 for the city of Hazleton, in Hazleton, Pennsylvania for planning and rehabilitation of the Markle Building and Market Faire;

\$200,000 for the Erie Municipal Airport Authority in Erie, Pennsylvania for redevelopment and construction of a multi-modal cargo distribution center;

\$200,000 for the August Wilson Center for African American Culture in Pittsburgh, Pennsylvania for planning, site preparation and construction of an African American Cultural Center;

\$200,000 for the city of Bethlehem in Bethlehem, Pennsylvania to support the redevelopment, renovation and construction of a South Bethlehem Workforce Training and Development Center at Northampton Community College;

\$200,000 for the Redevelopment Authority of the city of Coatesville in Coatesville, Pennsylvania for planning site preparation, revitalization and construction of a New Coatesville Incubator;

\$200,000 for the Economic Development Company of Lancaster in Lancaster, Pennsylvania for demolition, redevelopment and construction at the site of the former Armstrong Liberty Street plant;

\$200,000 for the Stadium Theatre in Woonsocket, Rhode Island for building renovations;

\$200,000 for the town of Lincoln, Rhode Island for improvements at Barney Pond;

\$200,000 for the Town of Warren, Rhode Island for improvements to the Town Wharf;

\$200,000 for the town of West Warwick for improvements at Riverpoint Park;

\$200,000 for the Cranston Alternate Education Program in Cranston, Rhode Island for building improvements;

\$200,000 for the Providence Performing Arts Center in Providence, Rhode Island for building renovations;

\$200,000 for the town of Burrillville, Rhode Island for construction of the Jesse Smith Library and Meeting Center;

\$200,000 for Meeting Street School in Providence, Rhode Island for the construction of the Meeting Street National Center of Excellence;

\$200,000 for the CVS/Highlander Charter School in Providence, Rhode Island for the construction of the Broad Street Children's Zone;

\$200,000 for the World War II Memorial Commission of Rhode Island for the construction of the World War II Memorial;

\$500,000 for the city of Union, South Carolina to develop a regional robotics training center;

\$400,000 for the city of Florence, South Carolina to develop a community/activity center;

\$200,000 for York County, South Carolina to develop a business/industry incubator project;

\$200,000 for Dillon County, South Carolina to develop an I-95 Gateway Industrial Park Spec Building;

\$500,000 for the city of Rock Hill, South Carolina for the infrastructure improvements for the Hagins-Fewell Neighborhood with the installation of a new storm water system;

\$200,000 for the city of Greenville, South Carolina to redevelop the community recreation center;

\$400,000 to the Wakpa Sica Reconciliation Place in Fort Pierre, South Dakota for construction of the Wakpa Sica Reconciliation Place;

\$600,000 to the Childrens Home Society in Sioux Falls, South Dakota for at-risk youth facilities expansion;

\$500,000 for Middle Tennessee State University in Murfreesboro, Tennessee to construct an education and conference center;

\$500,000 for the African American History Foundation of Nashville, Inc. in Nashville, Tennessee for construction of facilities and equipment;

\$500,000 for the city of Jackson, Tennessee to construct community facilities and infrastructure;

\$200,000 for the town of Pittman Center, Tennessee to construct a community center;

\$250,000 for Cumberland County, Tennessee to establish a business incubator;

\$300,000 for the city of Memphis, Tennessee for the University Place housing revitalization project;

\$300,000 for the PNI Neighborhood Commercial and Small Business Development Program in Knoxville, Tennessee to support economic development activities;

\$250,000 for the city of Johnson City, Tennessee to construct infrastructure and facilities at the Innovation Park;

\$200,000 for the Tri-Cities Economic Development Alliance in Blountville, Tennessee to support the regional World Trade Center;

\$200,000 for Tom Green County, Texas, for the relocation and expansion of the Tom Green County Library;

\$200,000 for Laredo, Texas, for the renovation of the Historic Plaza Theatre;

\$200,000 for Beaumont, Texas, for downtown improvements in the city of Beaumont;

\$200,000 for Harris County, Texas, for the Hurricane Katrina Evacuee Workforce Development Initiative;

\$200,000 for the North Texas Food Bank in Dallas, Texas, for facility renovation and expansion;

\$200,000 for Marshall, Texas, for the renovation of the Memorial Hall Visitor and History Center;

\$200,000 for Hillsboro, Texas, for downtown streetscape improvements in the city of Hillsboro;

\$200,000 for Temple, Texas, for the development of the Performing Arts Centre;

\$200,000 for Brownwood, Texas, for downtown streetscape improvements in the city of Brownwood;

\$200,000 for Midland, Texas, for downtown redevelopment in the city of Midland;

\$200,000 for the city of Pearland, Texas for the planning and design of the Pearland Business and Commerce Park in the city of Pearland;

\$300,000 for the city of Abilene, Texas for the construction of a new hanger at the Abilene Regional Airport Industrial Park in the city of Abilene;

\$300,000 for Global Samaritan Resources, Inc. in Abilene, Texas for the construction of a food distribution warehouse;

\$200,000 for the Houston Community College in Houston, Texas for the enhancement and expansion of the Multi-Cultural Business Entrepreneurial Center;

\$400,000 for the city of Smithfield, Utah to construct a plaza for the new city center;

\$450,000 for the city of Salina, Utah to construct a community center;

\$450,000 for Grand County, Utah to construct a senior citizen housing center;

\$200,000 for the city of Ogden, Utah for rehabilitation of affordable housing;

\$200,000 for Provo City Downtown Parking Structure in Provo, Utah, to develop a parking structure for approximately 400 vehicles;

\$200,000 for community development and park facility improvements for Eagle Mountain's Pony Express Regional Park, Eagle Mountain, Utah;

\$200,000 for municipal offices project in Syracuse City, Utah, for the construction of a new city office building;

\$200,000 for Brigham City, Utah, to renovate a building for use as a regional innovation center in Northern Utah;

\$200,000 for San Juan County, Utah, to move the fairgrounds site, including a new exhibit building/indoor-arena and other livestock exhibits for 4-H, Junior Livestock, and other activities to site located south of Monticello, Utah;

\$200,000 for the city of Newport News, Virginia for the enhancement of the J. Clyde Morris "Avenue of the Arts";

\$200,000 for the city of Suffolk, Virginia for improvements of the Museum of African-American History;

\$200,000 for the Staunton Performing Arts Center in Staunton, Virginia, for continued enhancements of the Center;

\$200,000 for the Shenandoah County Arts Center Foundation in Edinburg, Virginia for the renovation and expansion of the Center;

\$300,000 for the Appalachian Service Project in Jonesville, Virginia to support the year round home repair program;

\$400,00 for the Christopher Newport University Real Estate Foundation in Newport News, Virginia, for the Warwick Boulevard Commercial Corridor Redevelopment Project;

\$300,000 for the Alexandria Branch of the Boys and Girls Club in Alexandria, Virginia, for the renovation and expansion of the Alexandria Branch of the Boys and Girls Club;

\$200,000 for the The Mariners' Museum in Newport News, Virginia, for the The USS Monitor Center at the Mariners' Museum;

\$400,000 for the University of Wyoming Technology Business Center, Laramie Wyoming, for information technology, among other things servers, routers, photonics for high-speed data transmission;

\$200,000 for the Campbell County Senior Center, city of Gillette Wyoming, to conduct an assessment of existing infrastructure for future growth and expansion;

\$200,000 for the Wyoming Rural Development Council, Cheyenne Wyoming, for county assistance to Wyoming counties to conduct community assessments to look at their respective economic development assets and liabilities;

\$200,000 for the Lander Business Park, city of Lander Wyoming, for the installation of enhancements to complete the business park;

\$200,000 for the city of Gillette, Wyoming for construction of the Wyoming Technical Training Center at the Gillette Campus of the Northern Wyoming Community College;

\$200,000 for the Central Wyoming College Foundation in Riverton, Wyoming for construction and the purchase of equipment for the Intertribal Education and Community Center;

\$200,000 for the Sheridan Heritage Center in Sheridan, Wyoming for restoration of the Sheridan Inn;

\$200,000 for the city of Kemmerer, Wyoming to purchase necessary technology equipment for the South Lincoln Events Center;

\$200,000 for the city of Cheyenne, Wyoming for construction of the Community Recreation Center;

\$900,000 for Northeast Mississippi Community College for facility renovations;

\$1,500,000 for the University of Mississippi for facilities restoration and development;

\$700,000 for the town of Marietta, Mississippi for the multi purpose building;

\$800,000 for Hinds Community College Utica Campus facility restoration and development;

\$500,000 to for the city of Hattiesburg, Mississippi to redevelop the Hattiesburg High School;

\$400,000 for the city of Canton, Mississippi to redevelop the historic Canton High School;

\$200,000 for the city of Vicksburg, Mississippi to renovate St. Francis Xavier auditorium;

\$200,000 for the town of Bolton, Mississippi municipal building;

\$800,000 for Delta State University facility restoration and development;

\$1,000,000 for the development of the Center for Functional Foods, Missouri, for construction and equipment costs;

\$875,000 for the development of the Agricultural Complex, Stoddard County, Missouri, for transportation and infrastructure improvements;

\$875,000 for the Mobile Biosciences Education Unit at the St. Louis Science Center, St. Louis, Missouri, for equipment and programmatic costs;

\$500,000 for the development of the George Washington Carver Building Restoration Project, Jackson County, Missouri, for safety and environmental improvements;

\$750,000 for the development of the Allied Health Building at North Central Missouri College, Grundy County, Missouri, for infrastructure expansion;

\$250,000 for the redevelopment of the William Jewell College Student Union, Clay County, Missouri, for the reconstruction of a new facility;

\$250,000 for the development of a planetarium at Truman State University, Adair County, Missouri, for construction and equipment costs;

\$250,000 for the development of the Winston Churchill Memorial, Callaway County, Missouri, for the continued restoration costs;

\$250,000 for the development of the Downtown West Plains Business Incubator, Howell County, Missouri, for construction and equipment costs;



\$200,000 for planning and construction of the Kauai Children's Discovery Museum and the Garden Island Arts Council Joint Venture: Visitors Center, Kauai County, Hawaii;

\$200,000 for Gregory House renovations, Honolulu, Hawaii. Gregory House provides transitional housing for individuals with HIV/AIDS;

\$200,000 for planning and construction of the Arc of Hilo's Client Support Services Facility in Hilo, Hawaii;

\$200,000 for the Harvest Community Foundation to build the Billings Heights Community Center;

\$200,000 for CommunityWorks to build the facility and create the exhibits for the ExplorationWorks Center which will be an innovative, hands-on museum of science and culture;

\$200,000 for Butte Silver Bow Arts Foundation to renovate their building in Historic Uptown Butte to create a world-class art museum, an accredited arts school, and an art incubator;

\$200,000 for the University Montana to renovate and upgrade its law school;

\$200,000 for the Daly Mansion Preservation Trust to restore and preserve the Daly Mansion;

\$200,000 for Columbus, Indiana to build and equip the Mill Race Center for seniors;

\$200,000 to the St. Michael's School and Nursery, Inc. in Wilmington, Delaware for the continued expansion of the school;

\$200,000 for the Ministry of Caring, Sacred Heart Village, in Wilmington, Delaware for renovation of the facility;

\$200,000 for expansion of the Beautiful Gate Outreach Center, Wilmington, Delaware;

\$300,000 for the city of Coral Gables, Florida for the renovation of the Historic Biltmore complex;

\$300,000 for the city of Orlando, Florida for the Parramore Neighborhood Revitalization Project;

\$200,000 for the city of Miami, for the Performing Arts Center;

\$200,000 for the city of Hollywood for the renovation of the Holocaust Education and Documentation Center;

\$200,000 for the city of Miami for the Elderly Assistance Program;

\$200,000 for the Central Florida YMCA for construction of the Viera Project;

\$200,000 for the Old Town Boys and Girls Club, Albuquerque, New Mexico, for a facility;

\$200,000 for a Veterans' War Memorial in Carlsbad, New Mexico;

\$250,000 for TV-I's Southwest Center for Advanced Manufacturing and Mechatronics Education facility, Albuquerque, New Mexico;

\$300,000 for the Boys and Girls club of Socorro County, New Mexico, for a facility;

\$250,000 for the South Valley Regional Recreational Center in Dona Ana County, New Mexico;

\$200,000 for a city-county public safety building in McKinley County, New Mexico;

\$400,000 for the Boys and Girls Club, San Bernardino, California, for repair and renovations of the current facility to provide

academic and afterschool programs for at-risk youth in a low income area;

\$200,000 for the Carl R. Hansen Teen Center, Sacramento, California, for construction of a new teen center facility in the South Natomas area that will expand the capability of serving youth ages 12–18 in a low income area;

\$1,000,000 to repair and renovate the Memorial Building in Princeton, West Virginia, for an All-Wars Museum;

\$1,400,000 to support the construction of a new training facility for the PACE Training and Evaluation Center (PACE Tec) in Morgantown, West Virginia. PACE Tec is a non-profit vocational rehabilitation center that provides vocational opportunities to people with disabilities;

\$100,000 for the Raleigh County, WV, Branch of the NAACP for the development of a Multi-Cultural Museum and Community Center;

\$200,000 for the city of Lewes, Delaware, for the reuse of a brownfield site and the adjacent asphalt parking area as community space and recreation area along the canalfront in Lewes, Delaware;

\$200,000 for the Riverfront Redevelopment Corporation to construct a children's museum as part of the larger effort to remove blight and redevelop brownfields along the Christina Riverfront in Wilmington, Delaware;

\$200,000 for the expansion of the Middletown-Odessa-Townsend Senior Center in Middletown, Delaware, to respond to the burgeoning senior population and help the elderly poor in the area to remain independent;

\$800,000 for the construction and expansion of the National Women's Hall of Fame for economic development in Seneca Falls, New York;

\$200,000 for the construction of the Schenectady YMCA for economic development in Schenectady, New York;

\$200,000 for the construction and expansion of wireless services for underserved areas in the city of Albany, New York;

\$200,000 for the construction and expansion of the St. Lawrence County Regional Rural Broadband in Canton, New York;

\$200,000 for renovation of the Strand for Economic Development in Plattsburgh, New York;

\$200,000 for the Williston Area Economic Development Partnership, Williston, North Dakota, for the construction of a petroleum safety and technology training center;

\$200,000 for the United Tribes Technical College in Bismarck, North Dakota, for the construction of student family housing;

\$200,000 for the Minot Area Development Corporation, Minot, North Dakota, for the construction a value-added agricultural complex;

\$200,000 for the Greater Minneapolis Council of Churches, Division of Indian Work in Minneapolis, Minnesota to renovate the Healing Spirit House which provides housing for American Indian foster children;

\$200,000 for the Lao Advancement Association of America in Minneapolis, Minnesota for structural repairs to the interior and exterior of the Lao Cultural Center;

\$200,000 for the town of Vernon, Connecticut, for necessary interior and exterior renovations to the Amberbelle Mill facility that will prevent blight and keep the structure viable for commercial purposes in a low-income neighborhood;

\$200,000 for Empower New Haven, Inc., New Haven, Connecticut, for assisting low-income homeowners in making necessary repairs to their properties;

\$200,000 for the city of Hartford, Connecticut, homeownership initiative for increasing the city's current homeownership rate of 25 percent;

\$200,000 for The Children's Home, Cromwell, Connecticut, for the reconstruction of its facilities serving children with special needs and their families;

\$400,000 for REAP Zones, Rugby North Dakota, for continuation of economic development initiatives;

\$350,000 for the Dakota Boys and Girls Ranch, Minot North Dakota, for facility improvements;

\$300,000 for the University of North Dakota BLS-3 Lab, Grand Forks North Dakota, for research and development for therapeutic agents and vaccines;

\$300,000 for the Bismarck State College National Energy Technology Training Center, Bismarck North Dakota, to acquire additional classroom space;

\$250,000 for the Sitting Bull College Student Center, Fort Yates North Dakota, for construction of a student support center;

\$200,000 for the Turtle Mountain Youth Center, Belcourt North Dakota, for construction of a center to provide a safe-haven for youth;

\$300,000 for the Looking for Lincoln Heritage Coalition for the ongoing Looking for Lincoln economic development and tourism initiative in more than 12 Illinois communities;

\$500,000 statewide for utilization and capital expenses for broadband installation in underserved and low-income areas. Administered by the Illinois Department of Commerce and Economic Opportunity;

\$250,000 for Boys and Girls Club of Springfield for a new community center on Springfield's East Side;

\$250,000 for the city of Quincy's riverfront infrastructure improvement initiative, connecting public facilities and public space in an economically distressed area;

\$200,000 to help construct a senior citizen Lifespan Center for the Coles County Council on Aging;

\$200,000 for Community Support Services, Inc in Brookfield to construct a facility that will provide support services for families with disabilities;

\$250,000 for the city of Des Plaines for construction of a youth and community center to supplement existing, overcrowded facilities;

\$250,000 for the Lakeview Museum in Peoria to match non-federal funds for construction of a museum facility designed to promote economic development and tourism in downtown Peoria;

\$250,000 for the city and county of San Francisco, California for Mason Street Housing supportive housing for the homeless;

\$250,000 for the city of Redding, California for the Stillwater Business Park economic development project;

\$250,000 for the city of Fresno, California for the Regional Economic Development and Research Center;

\$250,000 for the Watts Cinema and Education Center, Los Angeles, California, for the Wattstar Theatre and Education Center job creation and economic development project;

\$200,000 for the county of Fresno, California for the Westside Vocational Training Center;

\$800,000 for the Iowa Department of Economic Development for the Main Street Program;

\$300,000 for Council Bluffs, Iowa for the 23rd Avenue Neighborhood Project;

\$300,000 for Cedar Rapids, Iowa for redevelopment;

\$300,000 for the Scott County Iowa Housing Council for affordable housing;

\$300,000 for the Iowa Finance Authority for assisted living facilities;

\$300,000 for the Keehi Memorial Organization, Honolulu, Hawaii, for the establishment of a Keehi Adult Day Health Center to provide social, cultural educational, and recreational activities for economically disadvantaged senior citizens;

\$300,000 for the Waipahu Jack Hall Memorial Housing Corporation, Honolulu, Hawaii, to repair, operate, and maintain the Kunia Village's housing infrastructure. Kunia Village is a rural complex that houses employees of Del Monte Fresh Produce Hawaii, a pineapple company that is terminating its operations in 2008;

\$200,000 for the Agribusiness Development Corporation, Honolulu, Hawaii, to initiate the planning and designing of dam safety improvements of the Lake Wilson Dam, to ensure the recreational and residential integrity of this community resource;

\$200,000 for the Goodwill Industries of Hawaii, Inc., to build a career and learning center in Leeward Oahu, for job training and development programs, as well as a Goodwill retail store and donation center;

\$200,000 for the Easter Seals Hawaii, to construct an 18,000 square foot program service center in Kapolei, Hawaii, to serve 500 youths and adults with autism, cerebral palsy, Down's Syndrome, and other disabilities within the West Oahu community;

\$200,000 for the construction of a research center at the Kauai Botanical Gardens, to preserve the rare plant and book collection, and to protect them from the extreme weather conditions that the Kauai Island frequently faces;

\$200,000 for the Hawaii Nature Center, Honolulu, Hawaii, to design, develop, and construct interactive exhibits that would create community awareness on environmental issues;

\$200,000 for the Catholic Charities Hawaii, to purchase and renovate facilities for a Catholic Charities Hawaii Social Service Community Center;

\$200,000 for the Arc of Hilo, to build a 17,000 square foot client support services facility in Hilo, to expand its services in meeting the needs of persons with disabilities;

\$200,000 for the expansion and preservation of the Calvin Coolidge State historic site in Plymouth Notch, Vermont;

\$200,000 for the Vermont Housing and Conservation Board to construct affordable housing in Windham County and Caledonia County, Vermont;

\$200,000 for accessibility improvements to the River Arts community facility in Morrisville, Vermont;

\$1,000,000 to the University of South Dakota in Vermillion, South Dakota, for medical school construction;

\$400,000 to Four Bands Community Fund in Eagle Butte, South Dakota, for revolving loan fund recapitalization;

\$500,000 for City Year, Inc., Boston, Massachusetts, for the acquisition and design of a new headquarters facility;

\$300,000 for the city of Pittsfield, Massachusetts for the redevelopment of a historic building;

\$200,000 for Mont Marie Senior Residence, Inc., Holyoke, Massachusetts, for the development of a low-income senior housing facility;

\$200,000 for the city of Northampton, Massachusetts for the design and construction of an affordable housing development;

\$200,000 for the city of North Adams, Massachusetts for the redevelopment of a historic building;

\$200,000 for the Boys and Girls Club of Greater Westfield, Inc., Westfield, Massachusetts for facility renovations and repairs;

\$200,000 for the city of Taunton, Massachusetts for renovations to senior housing facility;

\$200,000 for the city of Milwaukee, Wisconsin, for the Convent Hill low income housing development;

\$200,000 for the Waukesha Technical College, Waukesha, Wisconsin, for the expansion of the Printing Applied Technology Center;

\$200,000 for the city of Rhinelander, Wisconsin for the construction of a business park;

\$200,000 for the city of Beloit, Wisconsin, for the Beloit Neighborhood Development Low Income Housing restoration and infrastructure improvements;

\$200,000 for the town of Madison, Wisconsin, for the remediation of a Brownfield on the Novation Technology Campus;

\$200,000 for the Agape Community Center Expansion in Milwaukee, Wisconsin;

\$200,000 for the riverfront expansion project in La Crosse, Wisconsin;

\$200,000 for the town of Grantsburg, Wisconsin, for the Northwest Enterprise Center Expansion Project;

\$200,000 for the Redevelopment Authority of the city of Milwaukee, Wisconsin, for the Milwaukee VA Medical Campus Redevelopment;

\$200,000 for the city of Racine, Wisconsin, for the Redevelopment of the Walker Manufacturing Property;

\$200,000 for the city of Lake Charles to build a wetlands center to increase public awareness of the conservation efforts taking place in South Louisiana;

\$200,000 for the Audubon Living Science Museum to develop and design the second phase of the insectarium;

\$200,000 for the Center for Planning Excellence to fund the Old South Baton Rouge Strategic Plan Pilot Project by developing af-

fordable housing, neighborhood rehabilitation and to create and improve public spaces;

\$200,000 for the Edison Wetlands Association in Edison, New Jersey for the Dismal Swamp Conservation Trails Project. Funding will be used for the design and construction of trails for passive public recreation in the Dismal Swamp Conservation Area;

\$200,000 for the Tri-County Community Action Partnership in Bridgeton, New Jersey for the Southeast Gateway Project. Funds will go to construction of neighborhood parks, gardens, acquisition of property for retail opportunities, providing grants for home repair;

\$200,000 for Wynona's House Capital Improvements, Newark, New Jersey. Funds will go towards renovating its permanent home to establish a new child advocacy center that provides a spectrum of services to victims of child abuse;

\$2,000,000 for the Vermont Housing and Conservation Board, Montpelier, Vermont, for projects throughout Vermont to enhance affordable housing, economic development, land conservation and historic preservation;

\$200,000 to Michigan Technological University in Houghton, Michigan for the relocation of the A.E. Seaman Mineral Museum to the Keweenaw National Park Site;

\$200,000 for the city of Benton Harbor, Michigan for costs associated with the Harbor Shores Development Project;

\$200,000 for the Ruth Ellis Center in Highland Park, Michigan for costs associated with their Street Outreach Program;

\$200,000 for the Horace Bushnell Memorial Hall Corporation in Hartford, Connecticut for facility repair and renovation;

\$200,000 for the town of Branford, Connecticut for the repair and restoration of the James Blackstone Memorial Library;

\$200,000 for Empower New Haven in New Haven, Connecticut for the New Haven Home Repair Program;

\$200,000 for the town of Manchester, Connecticut for construction of a youth development center on Spruce Street;

\$300,000 for the University of Arkansas at Pine Bluff for the construction of the Business Support Incubator in Pine Bluff, Arkansas;

\$300,000 for the University of Arkansas-Monticello for the construction of the Forest Resources Center in Monticello, Arkansas;

\$200,000 for Audubon Arkansas for the development of the Audubon Nature Center at Gillam Park in Little Rock, Arkansas;

\$200,000 for Hudson County, New Jersey for the redevelopment of the Koppers Coke brownfields site;

\$200,000 for borough of Collingswood, New Jersey for the Collingswood Community Theatre;

\$200,000 for Monmouth County, New Jersey for the Monmouth County Children's Advocacy Center;

\$200,000 for the Housing and Neighborhood Development Services, Inc., Orange, New Jersey for the Berg Hat Factory Commercial Arts Center;

\$200,000 for the Mercer County Improvement Authority, Trenton, New Jersey for the renovation of the American Steel and Wire Company Factory Building;

\$300,000 for the Diakon Housing and Development, Baltimore, Maryland for costs related to the development of Diakon Place, a child care and youth services center;

\$1,000,000 for the East Baltimore Development Project, Maryland for services to the low-income residents of East Baltimore and for general operating costs;

\$300,000 for the Patterson Park Community Development Corporation, Baltimore, Maryland for acquisition and redevelopment of blighted property in and around Library Square;

\$200,000 for the Washington County Free Library, Boonsboro, Maryland for the design and construction of a new library;

\$400,000 for Montgomery County, Maryland for pedestrian safety improvements in the Long Branch community;

\$250,000 for the city of Bellingham, Washington for construction of the Bellingham Marine Trades Center;

\$500,000 for the city of Everett, Washington for to renovate and expand the Everett Senior Activity Center;

\$250,000 for the Northwest Maritime Center in Port Townsend, Washington for redevelopment of the former Thomas Oil Brownfield Site;

\$500,000 for the Asian Counseling and Referral Service in Seattle, Washington for facility construction;

\$300,000 for El Centro de la Raza in Seattle, Washington for facility improvements and repairs;

\$450,000 for FareStart in Seattle, Washington for construction and rehabilitation of its new facility;

\$250,000 for the Seattle Housing Authority in Seattle, Washington for construction of the High Point Neighborhood Center;

\$250,000 for the Nisei Veterans Committee in Seattle, Washington for renovations to its Memorial Hall;

\$400,000 for the Boys and Girls Clubs of King County in Seattle, Washington for construction of the Rainier Vista Boys and Girls Club;

\$300,000 for the East Central Community Organization in Spokane, Washington for facility improvements and expansion;

\$300,000 for the Boys and Girls Club of King County in Seattle, Washington for facility renovation and construction of the Jim Wiley Community Center at Greenbridge;

\$250,000 for the YMCA of Tacoma-Pierce County in Tacoma, Washington for construction of a YMCA facility in Gig Harbor, Washington;

\$600,000 for the Boys and Girls Home of Nebraska for construction of a residential treatment facility for children and adolescents in South Sioux City, Nebraska;

\$400,000 for Northeast Community College for construction of an education center in South Sioux City, Nebraska;

\$200,000 for Heartland Family Service for construction of the Sarpy County Family Service Center in Papillion, Nebraska;

\$200,000 to the county of Peoria, Illinois for equipment and costs related to the physical lead removal program for domestic dwellings and structures in order to reduce the occurrences of childhood lead poisoning in low income families most affected by this problem;

\$200,000 to the city of Shawneetown, Illinois for construction of a children's park, including a play station and adjoining community center to serve as the centerpiece for redevelopment of the largest town in Gallatin County, one of the poorest counties in Illinois;

\$200,000 to the Decatur Park District, Illinois for construction and development of the lakefront area in order to promote the economic development of the currently diminished area;

\$200,000 to the city of Rock Island, Illinois for renovation and construction on the Martin Luther King, Jr. Community Center serving the surrounding low-income community;

\$200,000 for the Jeanne Jugan Residence of the Poor, Pawtucket, Rhode Island, for tuck pointing and roof replacement of the building;

\$500,000 for the Urban League of Rhode Island, Providence, Rhode Island, for construction of an addition to its South Providence Neighborhood Center;

\$300,000 for Crossroads Rhode Island, North Kingstown, Rhode Island, for renovation of the affordable housing development located on Navy Drive;

\$200,000 for Coventry Friends of Human Services, Coventry, Rhode Island, for renovations and construction to the Coventry CARES Community Center;

\$500,000 for the construction of a Trade Training Center in Las Vegas, Nevada;

\$300,000 for Opportunity Village in Las Vegas, Nevada for construction of an Employment and Training Center;

\$250,000 for the city of Reno, Nevada for construction of the Community Assistance Center;

\$300,000 for Washoe County, Nevada for construction of a senior center;

\$250,000 for the city of Las Vegas, Nevada for improvements to the Fifth Street School;

\$200,000 for the city of Sparks, Nevada for construction of the West End Community Center;

\$200,000 for the city of North Las Vegas, Nevada for construction of a multi-generational recreation facility;

\$200,000 for the city and county of Denver, Colorado Homeless Veterans Supportive Housing Project;

\$200,000 for the Gateway Park at the Historic Arkansas Riverwalk of Pueblo, Colorado;

\$200,000 for the Old Blair Auditorium Community Center renovation project, Silver Spring, Maryland;

\$200,000 for the facility improvements and training for the Baltimore Child Abuse Center, Baltimore, Maryland;

\$200,000 for the Points North Housing Coalition, Watertown, New York to establish emergency housing for at risk families;

\$200,000 for the Fordham University Regional Science Center, Bronx, New York for the art science center that will serve the Bronx and lower Westchester communities;

\$200,000 for the Syracuse Area Landmark Theater, Syracuse, New York for the reconstruction and expansion of the historic theater;



\$200,000 for the Hudson Valley Community College Model Automotive Dealership, Troy, New York for a new building for intraining auto technicians;

\$200,000 for the Catholic Family Center, Rochester, New York Ways to Work Program providing small loans for automobile purchase or repair to help low-income families access employment, school, and day care facilities;

\$600,000 for expansion of The United Way Training Center in Detroit, Michigan;

\$500,000 for development and expansion of the TechTown Training and Business Technology Incubator in Detroit, Michigan;

\$200,000 for the Housing Commission of Muskegon Heights, Michigan for its Neighborhood Networks Initiative;

\$250,000 for Saginaw, Michigan for renovations of abandoned buildings;

\$250,000 for Presbyterian Villages of Michigan of Southfield, Michigan for facility renovations;

\$800,000 for the city of Portland, Oregon for the Regional Bridges to Housing Program.

The Neighborhood Initiative Programs awards are as follows:

\$1,000,000 for the city of Fulton, Mississippi for economic development;

\$500,000 to the Self Reliance Network to support the National Hispanic Financial Literacy and Homeownership Initiative;

\$2,750,000 for West Virginia University to complete the development of a facility to house forensic science research and academic programs;

\$1,000,000 for economic development and infrastructure activities in Mingo County, West Virginia;

\$1,000,000 for the development of Camp Barnabas, Barry County, Missouri, for the construction and equipment necessary for handicap accessible housing for children with special needs;

\$325,000 for research Examining Policy Options to Increase Minority Homeownership and Eradicate Urban Poverty at the University of Missouri, St. Louis;

\$675,000 for construction and equipment needs at Morningstar Youth and Family Life Center, Jackson County, Missouri, for construction and equipment needs.

#### COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

##### (INCLUDING TRANSFER OF FUNDS)

	Limitation on guaranteed loans	Program costs
Appropriations, 2006 .....	\$137,500,000	\$2,970,000
Budget estimate, 2007 .....	.....	.....
House allowance .....	.....	2,970,000
Committee recommendation .....	137,500,000	3,000,000

#### PROGRAM DESCRIPTION

Section 108 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to issue Federal loan guarantees of private market loans used by entitlement and non-entitlement communities to cover the costs of acquiring real prop-

erty, rehabilitation of publicly owned real property, housing rehabilitation, and other economic development activities.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,000,000 for program costs associated with the section 108 loan guarantee program. This amount is \$30,000 above the fiscal year 2006 enacted level and \$3,000,000 more than the budget request. The administration recommended no funding for this program. While the program has had an uneven history, it does afford some communities the ability to leverage private capital for large projects through a pledge of future CDBG funds.

Of the funds provided, \$3,000,000 is for credit subsidy costs to guarantee \$137,500,000 in section 108 loan commitments in fiscal year 2007, and \$750,000 is for administrative expenses to be transferred to the salaries and expenses account.

#### BROWNFIELDS REDEVELOPMENT

Appropriations, 2006 .....	\$9,900,000
Budget estimate, 2007 .....	
House allowance .....	
Committee recommendation .....	

#### PROGRAM DESCRIPTION

Section 108(q) of the Housing and Community Development Act of 1974, as amended, authorizes the Brownfields Redevelopment program. This program provides competitive economic development grants in conjunction with section 108 loan guarantees for qualified brownfields projects. Grants are made in accordance with Section 108(q) selection criteria. The program supports the cleanup and economic redevelopment of contaminated sites.

#### COMMITTEE RECOMMENDATION

The Committee recommends no funding for this program. This amount is \$9,900,000 less than the fiscal year 2006 enacted level and the same as the budget request. The administration requested no funding for this program. While this program has been instrumental in the redevelopment of many communities, funds have been made available for a similar program through the Environmental Protection Agency.

#### HOME INVESTMENT PARTNERSHIPS PROGRAM

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$1,757,250,000
Budget estimate, 2007 .....	1,916,640,000
House allowance .....	1,916,640,000
Committee recommendation .....	1,941,640,000

#### PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and units of local government for the purpose of expanding the supply and affordability of hous-

ing to low- and very low-income people. Eligible activities include tenant-based rental assistance, acquisition, and rehabilitation of affordable rental and ownership housing and, also, construction of housing. To participate in the HOME program, State and local governments must develop a comprehensive housing affordability strategy. There is a 25 percent matching requirement for participating jurisdictions which can be reduced or eliminated if they are experiencing fiscal distress. Funding for the American Dream Downpayment Assistance initiative is also provided through the HOME program. This initiative provides downpayment assistance to low income families to help them achieve homeownership.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,916,640,000 for the HOME Investment Partnerships Program, including \$25,000,000 for the American Dream Downpymment Fund. This amount is \$184,390,000 more than the fiscal year 2006 enacted level and \$25,000,000 more than the budget request.

The Committee includes \$9,000,000 for technical assistance, the same amount as provided in fiscal year 2006. Of this amount, \$2,700,000 is for qualified nonprofit intermediaries to provide technical assistance to Community Housing and Development Organizations [CHDOs]. The remaining \$6,300,000 is for intermediaries to provide technical assistance to HOME participating jurisdictions. The Committee objects to any proposal by the Department that ties the use of HOME funds for homeownership to the allocation of funds under the American Dream Downpayment Fund.

The Committee includes \$25,000,000 for the administration's American Dream Downpayment Fund [ADDF]. The Committee supports expanding homeownership opportunities, but is concerned that this program may be helping families with excessive credit risk and who may not be the best candidates for homeownership. The Committee requests that HUD report to the House and Senate Committees on Appropriations on the rate of default by those in the program as well as the numbers of participants who have missed their mortgage payments by 30 days, by 60 days and by 90 days and/or who have received some form of relief to keep their mortgages current. This report is due no later than July 31, 2006 and shall be repeated annually.

In addition the Committee notes that GAO-06-677 report cites several weakness in the ADDF, including large unexpended balances since the programs inception and HUD's inability to segregate ADDF funding from non-ADDF funding as required to measure performance.

Of the amount provided for the HOME program, \$42,000,000 is for housing counseling assistance. The Committee does not fund housing assistance counseling in a new account, as proposed by the administration. The Committee views homeownership counseling, including pre- and post-purchase counseling, as an essential part of successful homeownership. The Committee expects that this program will remain available to those participating in all HUD's homeownership programs. The Committee continues to urge HUD to utilize this program as a means of educating homebuyers on the

dangers of predatory lending, in addition to the administration's stated purpose of expanding homeownership opportunities.

#### SELF-HELP AND ASSISTED HOMEOWNERSHIP

Appropriations, 2006 .....	\$60,390,000
Budget estimate, 2007 .....	39,700,000
House allowance .....	60,390,000
Committee recommendation .....	66,000,000

#### PROGRAM DESCRIPTION

Self-Help Homeownership Opportunity Program [SHOP] funds assist low-income homebuyers willing to contribute "sweat equity" toward the construction of their houses. The funds will increase nonprofit organization's ability to leverage funds from other sources and produce at least 2,000 new homeownership units. In 2006, SHOP became a separate account. SHOP was previously funded as a set-aside within the Community Development Fund.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$66,000,000 for the Self Help and Assisted Homeownership Program which is \$5,610,000 more than the fiscal year 2006 enacted level and \$26,300,000 more than the budget request. The budget request did not propose any funding in this account beyond the Self-Help Homeownership Opportunity Program. The Committee has included funding for additional programs to enhance affordable housing through capacity building to maximize Federal investments. The Committee has provided \$35,000,000 for capacity building. Set-asides include \$3,500,000 for the Housing Assistance Council; \$2,000,000 for the National American Indian Council; \$2,500,000 for the National Council of La Raza; \$31,000,000 for LIISC and Enterprise Foundation; \$4,000,000 for Habitat for Humanity International.

#### HOMELESS ASSISTANCE GRANTS

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$1,326,600,000
Budget estimate, 2007 .....	1,535,990,000
House allowance .....	1,535,990,000
Committee recommendation .....	1,511,190,000

#### PROGRAM DESCRIPTION

The Homeless Assistance Grants Program provides funding to break the cycle of homelessness and to move homeless persons and families to permanent housing. This is done by providing rental assistance, emergency shelter, transitional and permanent housing, and supportive services to homeless persons and families. The emergency grant is a formula funded grant program, while the supportive housing, section 8 moderate rehabilitation single-room occupancy program and the shelter plus care programs are competitive grants. Homeless assistance grants provide Federal support to one of the Nation's most vulnerable populations. These grants assist localities in addressing the housing and service needs of a wide variety of homeless populations while developing coordinated Continuum of Care [CoC] systems that ensure the support necessary

to help those who are homeless to attain housing and move toward self-sufficiency.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$1,511,190,000 for homeless assistance grants. This amount is \$184,590,000 above the fiscal year 2006 enacted level and \$24,800,000 below the budget request. Of the amount provided, \$285,000,000 is to fund fully Shelter Plus Care renewals on an annual basis, \$10,395,000 is for technical assistance and data analysis, and \$2,475,000 is for the Department's working capital fund. Bill language also is included that (1) requires not less than 30 percent of the funds appropriated, excluding renewal costs, for permanent housing; (2) requires the renewal of all expiring Shelter Plus Care contracts on an annual basis if the contract meets certain requirements; (3) requires a 25 percent match for social services; and (4) requires all homeless funding recipients to coordinate and integrate their programs with other mainstream and targeted social programs. No funding is provided for the Prisoner Re-Entry initiative due to budget constraints.

The Committee continues to be committed to ending chronic homelessness over 10 years and supports the President's stated goal of achieving this goal by 2012. To that end, the Committee supports Federal, State, and local efforts to increase the supply of permanent housing until the need of an estimated 150,000 units is met. Accordingly, the Committee again includes bill language that requires the Department to spend a minimum of 30 percent of funds appropriated under this account for permanent housing. This set-aside has been critical in re-balancing the homeless assistance account so that more permanent housing is being developed. Prior to the establishment of this set-aside, a small portion of homeless assistance was being used for permanent housing. Research and anecdotal results clearly indicate that permanent housing is a critical component of ending homelessness among all types of homeless people. Cities that have seized the opportunity to develop more permanent housing have begun to see concrete results in the form of less chronic homelessness, among individuals and families with disabilities, veterans and others.

To assist States and localities create more permanent housing, the Committee supports the Department's request to use technical assistance funding to address capital financing issues.

The Committee appreciates the Department's sustained commitment to meeting the needs of homeless families. Although one-third of homeless people are members of homeless families, about half of the persons served by HUD homeless programs are members of homeless families. This demonstrates that, while the Department has placed an emphasis on chronic homelessness, it has continued to address the needs of homeless families.

The Committee also continues to support an effort begun in 2001 that charged the Department with collecting homeless data through the implementation of a new Homeless Management Information System [HMIS]. The Department has recently begun collecting data on the Nation's homeless population and developing annual reports through an Annual Homeless Assessment Report [AHAR] through the HMIS. Further, the Committee supports the

Department's efforts to ensure participation of HMIS through financing and other incentives. Nevertheless, the Committee continues to believe that the Department must ensure full participation by all grantees in the HMIS effort and ensure that grantees and interested stakeholders fully understand the importance of this effort and that adequate protections are in place for homeless people. Due to the Committee's continued interest in the Department's data collection and analysis efforts, the Committee again directs HUD to report on its progress by no later than March 23, 2007.

The Committee also reiterates the directive included in the conference report for the Consolidated Appropriations Act, 2005 (House Report 108-792) regarding out-year costs of renewing HUD's permanent housing programs. Therefore, the Department should continue to include 5-year projects, on an annual basis, for the cost of renewing the permanent housing component of the Supportive Housing program and the Shelter Plus Care program in its fiscal year 2008 budget justifications.

#### HOUSING PROGRAMS

##### HOUSING FOR THE ELDERLY

##### (INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2006 .....	\$734,580,000
Budget estimate, 2007 .....	545,490,000
House allowance .....	746,580,000
Committee recommendation .....	750,000,000

##### PROGRAM DESCRIPTION

This account provides funding for housing for the elderly under section 202. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for seniors.

##### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$750,000,000 for the section 202 program, an increase of \$15,420,000 over the fiscal year 2006 level and an increase of \$204,510,000 over the budget request. Of these funds, \$59,400,000 is for service coordinators and for the continuation of existing congregate service grants; up to \$24,750,000 for the conversion of projects to assisted living housing for substantial rehabilitation and for emergency capital repairs; \$20,000,000 for grants to nonprofits for architectural and engineering work, site control and planning activities. The Committee also includes \$1,980,000 for the Working Capital Fund.

According to a 2003 GAO report, section 202 has reached only 8 percent of very low income elderly households. The Committee believes that greater resources should be devoted to the section 202 program and continues to encourage the Department to make this program more of a priority, including better targeting to extremely low-income elderly households. Further, the Department needs to facilitate the construction of section 202 projects. Finally, many of the existing 202 units have serious repair needs that are not being adequately addressed by the Department.

## HOUSING FOR PERSONS WITH DISABILITIES

## (INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2006 .....	\$236,610,000
Budget estimate, 2007 .....	118,800,000
House allowance .....	239,610,000
Committee recommendation .....	240,000,000

## PROGRAM DESCRIPTION

This account provides funding for housing for the persons with disabilities under section 811. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for persons with disabilities. Up to 25 percent of the funding may be made available for tenant-based assistance under section 8.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$240,000,000 for the section 811 program, an increase of \$3,390,000 over the fiscal year 2006 level and \$121,200,000 over the budget request. HUD is directed to ensure that all tenant-based assistance made available under this account shall remain available for persons with disabilities upon turnover. The Committee has limited the amount of funds that may be used for incremental section 8 vouchers to \$5,000,000. In addition, section 811 funds may be used for inspections by HUD's Real Estate Assessment Center [REAC] and for related inspection activities. HUD is directed to submit a budget to the House and Senate Committees on Appropriations before funding any REAC inspections. The Committee also includes \$990,000 for the Working Capitol Fund.

## OTHER ASSISTED HOUSING PROGRAMS

## RENTAL HOUSING ASSISTANCE

## PROGRAM DESCRIPTION

This account provides amendment funding for housing assisted under a variety of HUD housing programs.

## COMMITTEE RECOMMENDATION

The Committee recommends \$24,750,000 for HUD-assisted, State-aided, non-insured rental housing projects.

## FLEXIBLE SUBSIDY FUND

## (TRANSFER OF FUNDS)

## PROGRAM DESCRIPTION

The Housing and Urban Development Act of 1968 authorized HUD to establish a revolving fund for the collection of rents in excess of the established basic rents for section 236 projects. Subject to appropriations, HUD is authorized to transfer excess rent collection received after 1978 to the Flexible Subsidy Fund.

## COMMITTEE RECOMMENDATION

The Committee recommends that the account continue to serve as the repository for the excess rental charges appropriated from the Rental Housing Assistance Fund; these funds will continue to offset flexible subsidy outlays and other discretionary expenditures to support affordable housing projects. The language is designed to allow surplus funds in excess of allowable rent levels to be returned to project owners only for purposes of the rehabilitation and renovation of projects.

## MANUFACTURED HOUSING FEES TRUST FUND

Appropriations, 2006 .....	\$13,000,000
Budget request, 2007 .....	16,000,000
House allowance .....	16,000,000
Committee recommendation .....	16,000,000

## PROGRAM DESCRIPTION

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes the Secretary to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. All manufactured homes are required to meet the Federal standards, and fees are charged to producers to cover the costs of administering the act.

## COMMITTEE RECOMMENDATION

The Committee recommends \$16,000,000 to support the manufactured housing standards programs to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account. The amount recommended is the same as the budget request and \$3,000,000 more than the fiscal year 2006 enacted level.

The Committee thanks the Department for submitting line-item expenses for the manufactured housing program in its proposed fiscal year 2007 budget request, and encourages the HUD to continue doing so in its future budgets. In addition, the Committee encourages HUD to continue to prioritize its expenditures for this program in accordance with the appropriate sections of the Manufactured Housing Improvement Act of 2000.

## FEDERAL HOUSING ADMINISTRATION

## MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

## (INCLUDING TRANSFERS OF FUNDS)

	Limitation on direct loans	Limitation on guaran- teed loans	Administrative ex- penses
Appropriations, 2006 .....	\$50,000,000	\$185,000,000,000	\$351,450,000
Budget estimate, 2007 .....	50,000,000	185,000,000,000	351,450,000
House allowance .....	50,000,000	185,000,000,000	351,450,000
Committee recommendation .....	50,000,000	185,000,000,000	351,450,000



GENERAL AND SPECIAL RISK PROGRAM ACCOUNT  
(INCLUDING TRANSFERS OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses	Program costs
Appropriations, 2006 .....	\$50,000,000	\$35,000,000,000	\$229,086,000	\$8,712,000
Budget estimate, 2007 .....	50,000,000	35,000,000,000	229,086,000	8,600,000
House allowance .....	50,000,000	35,000,000,000	229,086,000	8,600,000
Committee recommendation .....	50,000,000	35,000,000,000	229,086,000	8,600,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of about 40 HUD mortgage/loan insurance programs which are grouped into the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance fund [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds, which are partially composed of subsidized programs, make up the other.

The amounts for administrative expenses are to be transferred from appropriations made in the FHA program accounts to the HUD "Salaries and expenses" accounts. Additionally, funds are also appropriated for administrative contract expenses for FHA activities.

COMMITTEE RECOMMENDATION

The Committee has included the following amounts for the "Mutual Mortgage Insurance Program" account: a limitation on guaranteed loans of \$185,000,000,000, a limitation on direct loans of \$50,000,000, and an appropriation of \$351,450,000 for administrative expenses. For the GI/SRI account, the Committee recommends \$35,000,000,000 as a limitation on guaranteed loans, a limitation on direct loans of \$50,000,000, and \$229,086,000 for administrative expenses, of which \$347,490,000 shall be transferred to HUD "Salaries and Expenses", up to \$3,960,000 shall be transferred to the Office of the Inspector General, and \$23,562,000 shall be transferred to the Working Capital Fund.

In addition, the Committee directs HUD to continue direct loan programs in 2007 for multifamily bridge loans and single family purchase money mortgages to finance the sale of certain properties owned by the Department. Temporary financing shall be provided for the acquisition and rehabilitation of multifamily projects by purchasers who have obtained commitments for permanent financing from another lender. Purchase money mortgages will enable governmental and nonprofit intermediaries to acquire properties for resale to owner-occupants in areas undergoing revitalization.

HUD has submitting a number of initiatives designed to reform FHA mortgage insurance and allow HUD to begin to regain some market share while also attracting borrowers with positive credit

ratings. In part, the intent of the legislation is to balance the adverse pool of borrowers who have come to characterize the FHA MMIF with FHA homeowners with better credit ratings and who pose less risk. Unfortunately, it is not clear that the legislation includes the necessary reforms that will allow HUD to compete in the housing marketplace without being subject to increased financial risk to the FHA MMIF as well as significant fraud and abuse. For example, HUD still intends to pursue products such as the Zero Downpayment program which would allow a homebuyer to use FHA mortgage insurance to purchase a home without any downpayment.

As noted last year, the Zero Downpayment program, where all fees and costs are rolled into the mortgage, is a major policy change that generates receipts but poses substantial financial risks to the FHA Single Family program—this is a 100 percent loan guarantee where realtors and bankers have no disincentive against placing high-risk families in homes. New homeowners also would have no stake in these homes in the event of financial hardship as they also would have limited or no ability to pay for any big ticket costs such as a failed furnace or leaky roof. From a historical perspective, a similar policy almost bankrupted FHA in the late 1980s and economically hurt neighborhoods because large numbers of defaults in marginal neighborhoods often result in diminished property values for the entire neighborhood. Recent audits of the FHA Mutual Mortgage Insurance Fund have indicated that these policies likely would undermine the long-term financial soundness of the fund. For example, the HUD IG audit of FHA's financial statements for fiscal years 2004 and 2003 demonstrate a substantial increase in the default rate over the last 5 years from 2.99 percent in fiscal year 2000 to 6.9 percent in fiscal year 2004. Moreover, claims have increased from some \$5,500,000,000 in fiscal year 2000 to some \$8,500,000,000 in fiscal year 2004, a 54 percent increase while insurance-in-force decreased 13 percent to \$430,000,000 during the same period. FHA is clearly becoming a lender of last resort, taking on the most risky mortgages, especially those likely to default.

More recently, FHA's share of the market dropped 40 percent in fiscal year 2005—FHA's home sales were 4.3 percent for fiscal year 2005 compared with 7.6 percent in fiscal year 2004. In addition, home sales for the entire market were up 7 percent in fiscal year 2005. FHA endorsements dropped 46.7 percent in fiscal year 2005 and insurance-in-force dropped 13 percent in fiscal year 2005. Default rates increased to 6.36 percent in fiscal year 2005, compared to 6.13 percent in fiscal year 2004.

While the Committee supports reform, it must be handled carefully. There must be controls in the law that minimize fraud and risk of loss. The Committee supports a balancing of the risk based on the creditworthiness of the homebuyer. However, there needs to be firm benchmarks and guidelines that ensure HUD does not remain the lender of last resort where its FHA mortgage pools are primarily made up of the most adverse credit risks in the marketplace. As a result, the Committee is very concerned that the proposed legislation does not include the necessary safeguards. In addition, the Committee is concerned that homebuyers with sub-

prime loans will seek to refinance their debt through FHA. Clearly, these homeowners represent the greatest risk for default and loss to the MMIF and HUD is directed to develop safeguards to limit exposure of financial risk.

The Committee is disappointed with HUD's endorsement of the Nehemiah program whereby certain nonprofits help homebuyers with downpayment assistance where the downpayment assistance does not meet FHA requirements of being a "boni-fide gift". In these cases, the nonprofit is being reimbursed by the property seller. A recent GAO audit was very critical of this practice, concluding that "Nehemiah" assistance from a seller financed nonprofit raised the claim rate 81 percent relative to similar loans with no assistance.

The Committee again advises that HUD should assist in the education of potential homebuyers who plan to use FHA mortgage insurance as part of the purchase process. While the requirements for an appraisal are clear, HUD needs to educate homebuyers regarding the value of requiring a home inspection before a purchase is complete. In too many cases, homebuyers waive this option, thus exposing them to unforeseen and unexpected physical deficiencies in the purchased home. This especially is troubling with moderate- and low-income homebuyers who barely have enough funds to close on the house. Without a home inspection, these purchasers may find themselves responsible for such high-cost items as a new roof, furnace or other significant structural liabilities. In these cases, the cost to repair the home and pay for the mortgage may far exceed the financial ability of the homebuyer, thus putting the home at risk of foreclosure.

The Committee is deeply concerned with the proposed increase in the annual premium charged for most multifamily loan guarantees in the fiscal year 2007 request. The stated rationale for this substantial premium increase is to offset administrative costs associated with these programs. This appears disingenuous since the CBO has scored the net increase of revenue at \$70,000,000. However no detailed explanation has been given for the amount of this premium increase, its likely adverse effect on loan volume and affordable rental housing production, or the resulting rent increases necessary to cover the cost of the higher premium payments. Moreover, the Federal Credit Reform Act of 1990 specifically mandates that administrative costs associated with loan guarantee programs be paid from discretionary appropriations rather than being reflected in the credit programs financing.

The Committee sees no merit in the administration's argument that these mortgage insurance premiums should be raised because these programs have not clearly demonstrated effectiveness in meeting affordable housing goals. Raising program costs can only diminish the contribution of these programs in expanding lower cost housing opportunities. In the face of the growing nationwide shortage of affordable housing, imposing further constraints on FHA rental housing development makes little sense. Further, the Committee believes that this action will drive the better quality projects to other sources of financing, thus causing an increase in the loss ratio for the FHA program in the long term.

The proposed mortgage insurance premium increase reverses the previous policy of the administration to work toward the lowest premium allowable while still enabling FHA to offer this rental housing financing at no cost to the taxpayers. For the largest moderate income rental housing development program offered by FHA, the proposed premium represents more than a 71 percent increase in annual cost. Very substantial premium increases would also be levied against the FHA nursing home and hospital financing programs.

Given the very substantial size of the premium increase and the abrupt reversal of the underlying policy of the Department in setting these premiums, the Committee believes strongly that full notice and comment rulemaking would be the only appropriate mechanism to pursue prior to implementing this proposal. The failure of the Department to do this represents a serious breach with congressional policy. Such administrative procedures would accord FHA industry partners, including lenders, developers, and builders, an opportunity to comment on the proposal. It would also permit a full assessment of the likely impact of such a premium increase on the volume of multifamily rental housing development, and the consequential effects of higher financing costs on rents borne by moderate income residents.

Therefore, the Department is directed to submit to the appropriate Committees of Congress a thorough assessment of the potential adverse effects of the proposed premiums structure, including the evaluation of alternatives such as utilizing negative subsidy and program revenues to cover administrative costs, before proceeding with implementation of the fee increases proposed in the budget. The Committee further directs that prior to increasing the mortgage insurance premiums the formula used for determining credit subsidy should be reviewed and revised to more heavily weight experience since 1990 when improvements in underwriting were implemented by FHA. The current formula appears to be extremely conservative in the context of recent experience, and, we believe the current mortgage insurance premium levels would generate significant negative credit subsidy without the proposed increase.

#### GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

##### GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006:	
Limitation on guaranteed loans .....	\$200,000,000,000
Administrative expenses .....	10,700,000
Budget estimate, 2007:	
Limitation on guaranteed loans .....	100,000,000,000
Administrative expenses .....	10,700,000
House allowance:	
Limitation on guaranteed loans .....	100,000,000,000
Administrative expenses .....	10,700,000
Committee recommendation:	
Limitation on guaranteed loans .....	100,000,000,000
Administrative expenses .....	10,700,000

## PROGRAM DESCRIPTION

The Government National Mortgage Association [GNMA], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the Federal Housing Administration, the Rural Housing Service, or the Department of Veterans Affairs. GNMA's guarantee of mortgage-backed securities is backed by the full faith and credit of the United States.

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments of mortgage-backed securities of \$100,000,000,000. This amount is the same level as proposed by the budget request and \$100,000,000,000 less than the fiscal year 2006 level. The Committee also has included \$10,700,000 for administrative expenses, the same as the budget request and the fiscal year 2006 enacted level.

## POLICY DEVELOPMENT AND RESEARCH

## RESEARCH AND TECHNOLOGY

Appropriations, 2006 .....	\$55,787,000
Budget estimate, 2007 .....	68,360,000
House allowance .....	55,787,000
Committee recommendation .....	60,000,000

## PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, evaluation, and reports relating to the Department's mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs seek ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

## COMMITTEE RECOMMENDATION

The Committee recommends \$60,000,000 for research and technology activities in fiscal year 2007. This amount is \$4,213,000 more than the fiscal year 2006 enacted level and \$8,360,000 below the budget request. Of this funding, \$5,000,000 is for the Partnership for Advancing Technologies in Housing [PATH] program. Language is included to ensure the funding of existing cooperative agreements in fiscal year 2006. The Committee expects the PATH

program to continue its cold climate housing research with the Cold Climate Housing Research Center in Fairbanks, Alaska. The Committee also supports the continuing research on promising technologies for the manufactured housing industry.

In addition, because in the past HUD has used this office's broad authority to administer new and unauthorized programs, the Office of Policy Development and Research is denied demonstration authority except where approval is provided by Congress in response to a reprogramming request.

## FAIR HOUSING AND EQUAL OPPORTUNITY

### FAIR HOUSING ACTIVITIES

Appropriations, 2006 .....	\$45,540,000
Budget estimate, 2007 .....	44,550,000
House allowance .....	44,550,000
Committee recommendation .....	44,550,000

### PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

### COMMITTEE RECOMMENDATION

The Committee recommendation provides \$44,550,000, of which \$19,800,000 is for the fair housing assistance program [FHAP] and no more than \$24,759,000 is for the fair housing initiatives program [FHIP]. The total is \$990,000 more than the fiscal year 2006 enacted level and the same as the budget request.

The Committee emphasizes that State and local agencies under FHAP should have the primary responsibility for identifying and addressing discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. It is critical that consistent fair housing policies be identified and implemented to insure continuity and fairness, and that States and localities continue to increase their understanding, expertise, and implementation of the law.

## OFFICE OF LEAD HAZARD CONTROL

## LEAD HAZARD REDUCTION

Appropriations, 2006 .....	\$150,480,000
Budget estimate, 2007 .....	114,840,000
House allowance .....	149,840,000
Committee recommendation .....	152,000,000

## PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act under which HUD is authorized to make grants to States, localities and native American tribes to conduct lead-based paint hazard reduction and abatement activities in private low-income housing. This has become a significant health hazard, especially for children. According to the Centers for Disease Control and Prevention [CDC], some 434,000 children have elevated blood levels, down from 1.7 million in the late 1980's. Despite this improvement, lead poisoning remains a serious childhood environmental condition, with some 2.2 percent of all children aged 1 to 5 years having elevated blood lead levels. This percentage is much higher for low-income children living in older housing.

## COMMITTEE RECOMMENDATION

The Committee recommends \$152,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2007. This amount is \$37,160,000 more than the budget request and \$1,520,000 more than the fiscal year 2006 enacted level. Of this amount, HUD may use up to \$9,000,000 for the Healthy Homes Initiative under which HUD conducts a number of activities designed to identify and address housing-related illnesses.

The Committee recommends \$48,000,000 for the lead hazard reduction demonstration program which was established in fiscal year 2003 to focus on major urban areas where children are disproportionately at risk for lead poisoning.

As previously discussed, there remains significant lead risks in privately owned housing, particularly in unsubsidized low-income units. For that reason, approximately 1 million children under the age of 6 in the United States suffer from lead poisoning. While lead poisoning crosses all socioeconomic, geographic, and racial boundaries, the burden of this disease falls disproportionately on low-income and minority families. In the United States, children from poor families are eight times more likely to be poisoned than those from higher income families. Nevertheless, the risks associated with lead-based paint hazards can be addressed fully over the next decade.

As noted last year, the urban lead hazard reduction program is designed to target funding to major urban areas where the lead hazard risk for low-income children under the age of 6 is greatest. Qualified applicants are identified by the Secretary as having the highest number of pre-1940 units of rental housing and a disproportionately high number of documented cases of lead-poisoned children. At least 90 percent of funds must be used for abatement and interim control of lead-based paint hazards. Further, the pro-

gram targets abatement to units that serve low-income families. As a condition of assistance, each applicant shall submit a detailed plan for use of funds that demonstrates sufficient capacity acceptable to the Secretary of Housing and Urban Development. The plans should identify units with the most significant risk, and should include strategies to reduce the risk of lead hazards and to mobilize public and private resources. The Committee fully expects that this program will be administered in a manner consistent with the guidelines and criteria used in the fiscal year 2003 and 2004 funding cycles.

The Committee also encourages HUD to work with grantees on its lead-based paint abatement hazards programs so that information is disclosed to the public on lead hazard abatements, risk assessment data and blood lead levels through publications and internet sites such as Lead-SafeHomes.info.

## MANAGEMENT AND ADMINISTRATION

### SALARIES AND EXPENSES

#### (INCLUDING TRANSFERS OF FUNDS)

(In thousands of dollars)

	Appropriation	FHA funds	GNMA funds	CDBG funds	Title VI transfer	Indian housing block grant	Native Hawaiian loan	Total
Appropriations, 2006 .....	573,210	562,400	10,700	750	150	250	35	1,147,495
Budget estimate, 2007 .....	594,000	556,776	10,593	.....	148	248	35	1,157,800
House allowance .....	493,240	556,776	10,700	.....	149	248	35	1,061,148
Committee recommendation ..	594,000	556,776	10,700	750	149	248	35	1,156,658

### PROGRAM DESCRIPTION

The “Salaries and expenses” account finances all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development. These include the following activities:

*Housing and Mortgage Credit Programs.*—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures.

*Community Planning and Development Programs.*—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

*Equal Opportunity and Research Programs.*—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and Executive orders and the administration of research programs and demonstrations.

*Departmental Management, Legal, and Audit Services.*—This activity includes a variety of general functions required for the Department’s overall administration and management. These include the Office of the Secretary, Office of General Counsel, Office of Chief Financial Officer, as well as administrative support in such



areas as accounting, personnel management, contracting and procurement, and office services.

*Field Direction and Administration.*—This activity includes salaries and expenses for the regional administrators, area office managers, and their staff who are responsible for the direction, supervision, and performance of the Department's field offices, as well as administrative support in areas such as accounting, personnel management, contracting and procurement, and office services.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,156,658,000 for salaries and expenses. This amount is \$9,163,000 more than the fiscal year 2006 enacted level and \$1,142,000 less than the budget request. The appropriation includes the requested amount of \$550,766,000 transferred from various funds from the Federal Housing Administration, \$10,700,000 transferred from the Government National Mortgage Association, \$247,500 from the Indian Housing Loan Guarantee Fund Program, \$148,500 from the Native American Housing Block Grant, and \$35,000 from the Native Hawaiian Housing Program as well as \$750,000 from the Community Development Loan Guarantee program, which the administration sought to eliminate.

The Committee remains concerned about HUD's ability to administer its programs and place staff where most needed. Therefore, the Committee directs HUD to report quarterly to the House and Senate Committees on Appropriations on all hiring within the Department, including justifications for any significant increase in FTEs for any particular office or activity.

In addition, the Department is prohibited from employing more than 77 schedule C and 20 noncareer senior executive service employees. The Committee understands that the Department is staffed largely by personnel who are close to retirement and at the top of the civil service pay schedule. The Committee encourages HUD to implement hiring practices that result in the hiring of young professionals who can gain experience and advancement.

The Committee directs the Department to issue quarterly reports on HUD travel to the Senate Committee on Appropriations. These reports shall include a list of all HUD-related trips, the names of all staff on each trip, and all costs, including the individual costs of lodging, food, transportation and any other costs.

#### OFFICE OF INSPECTOR GENERAL

##### (INCLUDING TRANSFERS OF FUNDS)

	Appropriation	FHA funds by transfer	Total
Appropriations, 2006 .....	\$81,180,000	\$23,760,000	\$104,940,000
Budget estimate, 2007 .....	83,240,000	23,760,000	107,000,000
House allowance .....	83,240,000	23,760,000	107,000,000
Committee recommendation .....	83,240,000	23,760,000	115,000,000

## PROGRAM DESCRIPTION

This appropriation will finance all salaries and related expenses associated with the operation of the Office of the Inspector General [OIG].

## COMMITTEE RECOMMENDATIONS

The Committee recommends an overall funding level of \$115,000,000 for the Office of Inspector General [OIG]. This amount is \$10,060,000 above the fiscal year 2006 enacted level and \$8,000,000 above the budget request. This funding level includes \$23,760,000 by transfer from various FHA funds. The Committee commends OIG for its commitment and its efforts in reducing waste, fraud and abuse in HUD programs.

## WORKING CAPITAL FUND

Appropriations, 2006 .....	\$195,030,000
Budget estimate, 2007 .....	219,780,000
House allowance .....	
Committee recommendation .....	219,780,000

## PROGRAM DESCRIPTION

The working capital fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives on a centralized basis.

## COMMITTEE RECOMMENDATION

The Committee recommends \$219,780,000 for the working capital fund for fiscal year 2007. These funds are the same as the budget request and \$24,750,000 over the fiscal year 2006 level. This fund is needed to enhance efficient use of appropriated funds and improve budget projections and needs for submission of the Committees on Appropriations.

## OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

## SALARIES AND EXPENSES

## (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$60,000,000
Budget estimate, 2007 .....	62,000,000
House allowance .....	62,000,000
Committee recommendation .....	67,600,000

## PROGRAM DESCRIPTION

This appropriation funds the Office of Federal Housing Enterprise Oversight [OFHEO], which was established in 1992 to regulate the financial safety and soundness of the two housing Government sponsored enterprises [GSE's], the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSE's, and gave the regulator enhanced authority to enforce those standards.

## COMMITTEE RECOMMENDATION

The Committee recommends \$67,600,000 for the Office of Federal Housing Enterprise Oversight, which is \$5,600,000 above the budget request and \$7,600,000 more than the fiscal year 2006 enacted level.

## ADMINISTRATIVE PROVISIONS

The Committee recommends administrative provisions. A brief description follows.

SEC. 301. This section promotes the refinancing of certain housing bonds.

SEC. 302. This section clarifies a limitation on use of funds under the Fair Housing Act.

SEC. 303. This section clarifies the allocation of HOPWA funding for fiscal year 2006.

SEC. 304. This section clarifies housing issue in Michigan.

SEC. 305. This section requires HUD to award funds on a competitive basis unless otherwise provided.

SEC. 306. This section allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

SEC. 307. This section limits HUD spending to amounts set out in the budget justification.

SEC. 308. This section clarifies expenditure authority for entities subject to the Government Corporation Control Act.

SEC. 309. This section requires HUD to submit certain additional information as part of its annual budget justifications.

SEC. 310. This section requires quarterly reports on all uncommitted, unobligated and excess funds associated with HUD programs.

SEC. 311. This section requires HUD to maintain section 8 assistance on HUD-held or owned multifamily housing.

SEC. 312. This section makes a number of corrections to the award of HOPWA funding.

SEC. 313. This section requires HUD to submit annual reports on the number and cost of HUD-assisted units. The Committee is concerned that HUD's property disposition program is not adequately committed to preserving the affordability of formerly subsidized units, and directs HUD to establish and submit to the Committee workable criteria for ensuring the maintenance of project-based section 8 wherever possible. The Committee also expects HUD to improve its consultation and coordination with units of local government and residents. HUD is reminded that it should use its discretionary preservation authority for the purpose of preserving affordability.

SEC. 314. This section requires HUD to submit its fiscal year 2008 budget justifications according to congressional requirements.

SEC. 315. This section requires vouchers for non-elderly disabled families to be renewed, to the extent practicable, to non-elderly disabled families.

SEC. 316. This section exempts Los Angeles County, Alaska, Iowa, and Mississippi from the requirement of having a PHA resident on the board of directors for fiscal year 2006. Instead, the public housing agencies in these States are required to establish advi-

sory boards that include public housing tenants and section 8 recipients.

SEC. 317. This section allows HUD to authorize the transfer of existing project-based subsidies and liabilities from obsolete housing to housing that better meets the needs of the assisted tenants.

SEC. 318. This section provides allocation requirements for Native Alaskans under the Native American Indian Housing Block Grant program.

SEC. 319. This section requires vouchers for family unification to be renewed, to the extent practicable, for the family unification.

SEC. 320. This section reforms certain section 8 rent calculations as to athletic scholarships.

SEC. 321. This section expands the availability of Reverse Equity Mortgage without limit and requires HUD to consider the number of HECM mortgages that are already insured in a geographic region.

The Committee is concerned over what appears to be excessive fees that are charged to HECM loans. The combined fees range from \$8,000 to \$17,000, and are 2 to 4.5 times higher than forward loans. The most troubling fee is the origination fee. HUD allows origination fees of 2 percent of the loan amount or \$2,000, whichever is higher. However, origination costs do not rise proportionally with the home's value for loans above a certain level. In addition, if there were an increase in HECM loan limits, the fees seniors pay may be even higher. The Committee also directs HUD and GAO to review the HECM program with particular emphasis on the financial risk to FHA and the homeowner if Congress were to raise the HECM loan limits. This report should include an assessment of the fees that are charged in the HECM program as to whether the fees are fair and consistent with requirements of the HECM program. The report is due within 6 months of enactment.

SEC. 322. This section extends mark-to-market until 2011.

SEC. 323. This section prohibits HUD from insuring mortgages that are part of a nehemial program.

SEC. 324. This section allows PHAs to use their capital funds for central office costs.

SEC. 325. This section moves the date for subsidy reductions for PHAs to January 1, 2007. This section also allows operating subsidies to be reduced by 5 percent during calendar year 2007.

SEC. 326. This section makes reforms to the tax credit program as it applies to section 8.

SEC. 327. This section extends HOPE VI until September 30, 2007.

## TITLE IV THE JUDICIARY

### PROGRAM DESCRIPTION

Established under Article III of the Constitution, the judicial branch of Government is a separate but equal branch. The Federal Judiciary consists of the Supreme Court, United States Courts of Appeals, District Courts, Bankruptcy Courts, Court of International Trade, Court of Federal Claims and several other entities and programs. The organization of the judiciary, the district and circuit boundaries, the places of holding court, and the number of Federal judges are legislated by the Congress and signed into law by the President.

The Committee's recommended funding levels support the Federal judiciary's role of providing equal justice under the law and include sufficient funds to support this critical mission. The recommended funding level includes the salaries of judges and support staff and the operation and security of our Nation's courts.

The judicial branch is reminded that it, too, is subject to the same funding constraints facing the executive and legislative branches and continues to urge the Federal judiciary to devote its resources primarily to the retention of staff. Further, the judiciary is encouraged to contain controllable costs such as travel, construction, and other non-essential expenses.

In addition, the judiciary is reminded that section 705 of the accompanying act applies to the judicial as well as the executive branch.

### SUPREME COURT OF THE UNITED STATES

#### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$60,143,000
Budget estimate, 2007 .....	63,405,000
House allowance .....	63,405,000
Committee recommendation .....	63,405,000

### PROGRAM DESCRIPTION

The United States Supreme Court consists of nine justices appointed under Article III of the Constitution of the United States, one of whom is appointed as Chief Justice of the United States. The Supreme Court acts as the final arbiter in the Federal court system.

### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$63,405,000 for the Justices, their supporting personnel, and the costs of operating the Supreme Court, excluding the care of the building and grounds.

The recommendation is \$3,262,000 above the fiscal year 2006 funding level and identical to the budget request.

#### CARE OF THE BUILDING AND GROUNDS

Appropriations, 2006 .....	\$5,568,000
Budget estimate, 2007 .....	12,959,000
House allowance .....	12,959,000
Committee recommendation .....	12,959,000

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$12,959,000 for personnel and other services related to the Supreme Court building and grounds, which is supervised by the Architect of the Capitol. The recommendation is \$7,391,000 above the fiscal year 2006 funding level and identical to the budget request.

The Committee has provided the requested funds to complete the Supreme Court's building modernization project and the necessary renovations to the East and West Conference Room ceilings. The Committee has also provided the requested funds to begin needed repairs and renovations to the Court's roof system. Because this project will be phased over 5 years, the Committee directs the Court to report to the House and Senate Committee on Appropriations as the Court becomes aware of any changes in schedule or budgetary needs.

#### UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$23,780,000
Budget estimate, 2007 .....	26,300,000
House allowance .....	26,000,000
Committee recommendation .....	25,273,000

##### PROGRAM DESCRIPTION

The United States Court of Appeals for the Federal Circuit was established under Article III of the Constitution on October 1, 1982. The court was formed by the merger of the United States Court of Customs and Patent Appeals and the appellate division of the United States Court of Claims. The court consists of twelve judges who are appointed by the President, with the advice and consent of the Senate. Judges are appointed to the court under Article III of the Constitution of the United States.

The Federal Circuit has nationwide jurisdiction in a variety of subject matter, including international trade, government contracts, patents, certain claims for money from the United States Government, Federal personnel, and veterans' benefits. Appeals to the court come from all Federal district courts, the United States Court of Federal Claims, the United States Court of International Trade, and the United States Court of Veterans Appeals. The court also takes appeals of certain administrative agencies' decisions, including the Merit Systems Protection Board, the Board of Contract Appeals, the Board of Patent Appeals and Interferences, and the Trademark Trial and Appeals Board. Decisions of the United States International Trade Commission, the Office of Compliance of

the United States Congress and the Government Accountability Office Personnel Appeals Board are also reviewed by the court.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,273,000. The recommendation is \$1,493,000 above the fiscal year 2006 funding level and \$1,027,000 below the budget request.

Of the amount provided, the Committee has funded the requested increase for disaster recovery of information, but denies the program increase requests for information technology upgrades and the retrofitting of courtrooms to provide enhanced technological capabilities. The Committee notes that the Federal Circuit currently has appropriate technology upgrades in one of its three courtrooms, which meets existing standards enacted by the Judicial Conference.

#### U.S. COURT OF INTERNATIONAL TRADE

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$15,345,000
Budget estimate, 2007 .....	16,182,000
House allowance .....	16,182,000
Committee recommendation .....	16,182,000

##### PROGRAM DESCRIPTION

The United States Court of International Trade, located in New York City, consists of nine Article III judges. The court has exclusive nationwide jurisdiction over civil actions brought against the United States, its agencies and officers, and certain civil actions brought by the United States, arising out of import transactions and the administration and enforcement of the Federal customs and international trade laws.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$16,182,000. The recommendation is \$837,000 above the fiscal year 2006 funding level and the same as the budget request.

#### COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$4,308,345,000
Budget estimate, 2007 .....	4,687,244,000
House allowance .....	4,556,114,000
Committee recommendation .....	4,583,360,000

##### PROGRAM DESCRIPTION

Salaries and Expenses is one of four accounts that provide total funding for the Courts of Appeals, District Courts and Other Judicial Services. In addition to funding the salaries of judges and support staff, this account also funds the operating costs of appellate, district and bankruptcy courts, and probation and pretrial services offices.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,583,360,000. The recommendation is \$275,015,000 above the fiscal year 2006 funding level and \$103,884,000 below the budget request.

The Committee has adequately funded this account to enable the courts to meet their workload demands. As previously stated, the Committee urges the Judicial Conference to make the retention of personnel its top priority. The Committee supports the Federal judiciary sharing its case management electronic case filing system at the State level and urges the judiciary to undertake a study of whether sharing such technology, including electronic billing processes, is a viable option.

*Southwest Border.*—The Committee is concerned about the impact that increased immigration funding and enforcement activities are having on the Federal judiciary's caseload and their ability to handle such a dramatic increase in filings. At present, the criminal cases filed in the five districts along the Southwest border account for nearly one-third of criminal cases nationwide. Since 2001, approximately 1,200 border agents have been added along the border with Mexico, resulting in a significant increase in caseload and workload levels. The judiciary plays an integral role in the Nation's homeland security efforts, and the Committee commends the numerous judges and staff who have ensured the continuing success of this vital piece of the Nation's border security strategy. Because the border courts remain critically understaffed, the Committee has provided \$20,371,000, as requested, for magistrate judges and critical staff positions for those districts located along the Southwest border. The Committee directs the Administrative Office to include a plan for the hiring of these positions in its fiscal year 2007 financial plan and to keep the Committee apprised of the number of positions actually brought on board along the Southwest border throughout fiscal year 2007.

*Staffing Formulas.*—The Committee is aware that the Administrative Office utilizes a sophisticated staffing formula to determine the staffing needs for the local courts. Due to the varied nature of caseload levels throughout the Nation, courts maintain different requirements for staffing. While the Southwest Border Courts have seen the greatest increase in funds allocated over the past several fiscal years, the gap between their funding allotment and their actual workload growth remains substantially greater when compared to the courts throughout the rest of the Nation. For example, during several of the past few fiscal years, supplemental funding from the administrative office and Congress has been required to meet the unique needs of the Southwest Border Courts. This consistent need for additional urgently needed funding in this one region demonstrates, at a minimum, the need for a thorough review of the staffing formulas used to determine local court needs. The Committee recognizes that the formulas currently employed to determine staffing needs place significant weight on the work requirements of the local courts' districts. However, due to the increasing gap between workload and staffing levels, the Committee is concerned that the current formula does not adequately address the differing staffing requirements that face courts located along



the Southwest border. As such, the Administrative Office will report to the House and Senate Committees on Appropriations no later than 120 days after the date of enactment of this act on what steps it has taken to ensure that its staffing formulas reflect these changing trends in caseload activity. The Committee also directs the administrative office to ensure that the staffing formula ensures that adequate resources are being directed to the Southwest border and particularly to the Probation and Pretrial Services program.

*Courthouse Construction.*—The Committee is aware that the judiciary's self-imposed moratorium on courthouse construction projects ends September 30, 2006. The Committee notes that the judiciary continues to face rising rent costs that are, in part, a result of past courthouse construction projects that were not adequately reduced in scope. As such, the Committee strongly urges the Judicial Conference to weigh carefully its need for more space to adjudicate cases against the Federal judiciary's rent needs. The Committee encourages the Judicial Conference to ensure adequate checks are in place to guarantee that future construction requests and projects are subjected to the highest standards of cost-efficiencies. The June, 2006, GAO report entitled, "Federal Courthouses: Rent Increases Due to New Space and Growing Energy and Security Costs Require Better Tracking and Management" notes that there are currently no incentives for district and circuit courts to make more efficient use of their space. The Committee is concerned that such a lack of incentives has caused the judicial branch to pay rent for more space than is necessary. As such, the Administrative Office is directed to report to the House and Senate Committees on Appropriations no later than 120 days after the date of enactment of this act on steps that have been and are being taken to encourage more efficient use of space by district and circuit courts. Further, the Committee encourages the Administrative Office to continue to work with the General Services Administration to ensure fair and accurate rent charges and to pursue corrections to any inequities.

*Carryover Funds.*—Due to unique circumstances, the judiciary reported significant carryover funds for fiscal year 2005 and projects more carryover in funding for fiscal year 2006. The Committee is concerned that the administrative office has not first used these carryover funds to offset projected decreases in fee collections and other projected needs and has, instead, used this funding to augment existing programs. This has resulted in an increase in the judiciary's uncontrollable costs, unnecessary funding requests and greater baseline needs. As such, the Administrative Office is directed to ensure that current and projected funding needs are met first with carryover funds before enhancing any program. The Committee directs the Administrative Office to separately include in future financial plans, for approval by the House and Senate Committees on Appropriations, all sources of carryover funds and their desired application.

## VACCINE INJURY COMPENSATION TRUST FUND

Appropriations, 2006 .....	\$3,795,000
Budget estimate, 2007 .....	3,952,000
House allowance .....	3,952,000
Committee recommendation .....	3,952,000

## PROGRAM DESCRIPTION

Enacted by The National Childhood Vaccine Injury Act of 1986 (Public Law 99–660), the Vaccine Injury Compensation Program is a Federal no-fault program designed to resolve a perceived crisis in vaccine tort liability claims that threatened the continued availability of childhood vaccines nationwide. The statute’s primary intention is the creation of a more efficient adjudicatory mechanism that ensures a no-fault compensation result for those allegedly injured or killed by certain covered vaccines. This program protects the availability of vaccines in the United States by diverting a substantial number of claims from the tort arena.

Not only did this act create a special fund to pay judgments awarded under the act, but it also created the Office of Special Masters [OSM] within the United States Court of Federal Claims to hear vaccine injury cases. The act stipulates that up to eight special masters may be appointed for this purpose. The special masters expenditures are reimbursed to the judiciary for vaccine injury cases from a special fund set up under the Vaccine Act.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,952,000. The recommendation is \$157,000 above the fiscal year 2006 funding level and consistent with the budget request.

## DEFENDER SERVICES

Appropriations, 2006 .....	\$709,830,000
Budget estimate, 2007 .....	803,879,000
House allowance .....	750,033,000
Committee recommendation .....	761,051,000

## PROGRAM DESCRIPTION

The Defender Services program ensures the right to counsel guaranteed by the Sixth Amendment, the Criminal Justice Act (18 U.S.C. 3006A(e)) and other congressional mandates for those who cannot afford to retain counsel and other necessary defense services. The Criminal Justice Act provides that courts appoint counsel from Federal public and community defender organizations or from a panel of private attorneys established by the court. The Defender Services program helps to maintain public confidence in the Nation’s commitment to equal justice under the law and ensures the successful operation of the constitutionally based adversary system of justice by which Federal criminal laws and federally guaranteed rights are enforced.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$761,051,000. The recommendation is \$51,221,000 above the fiscal year 2006 funding level and \$42,828,000 below the budget request.

While the Committee has provided sufficient funds to enable the Defenders Services program to continue to provide timely and quality counsel services, the Committee is concerned about recurring projected shortfalls in the Defender Services account. To the extent that the other salaries and expense accounts within the judiciary title must absorb certain mandatory adjustments to base, the Committee directs the Defender Services program to treat its Federal Defender Organizations in the same manner. The Committee has denied all program increase requests for this account and directs the Administrative Office to ensure that all resources provided are first used to ensure the timely payment of panel attorneys.

*Panel Attorney Pay Rates.*—The Committee has included funding to annualize the fiscal year 2006 pay adjustment for capital and non-capital panel attorneys but denies all requests for cost of living adjustments and pay raises for panel attorneys for fiscal year 2007. The Committee notes that future cost of living adjustment requests should not be presented as adjustments to base, but should be requested as a program increase.

## FEES OF JURORS AND COMMISSIONERS

Appropriations, 2006 .....	\$60,705,000
Budget estimate, 2007 .....	63,079,000
House allowance .....	63,079,000
Committee recommendation .....	63,079,000

## PROGRAM DESCRIPTION

This account provides for the statutory fees and allowances of grand and petit jurors and for the compensation of jury and land commissioners. Budgetary requirements depend primarily upon the volume and the length of jury trials demanded by parties to both civil and criminal actions and the number of grand juries being convened by the courts at the request of the United States Attorneys.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$63,079,000. The recommendation is \$2,374,000 above the fiscal year 2006 funding level and reflects the judiciary's reestimate of fiscal year 2007 requirements.

## COURT SECURITY

## (INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2006 .....	\$368,280,000
Budget estimate, 2007 .....	410,334,000
House allowance .....	400,334,000
Committee recommendation .....	397,737,000

## PROGRAM DESCRIPTION

The Court Security appropriation was established in 1983 and funds the necessary expenses incident to the provision of protective guard services, and the procurement, installation, and maintenance of security systems and equipment for United States courthouses and other facilities housing Federal court operations, including building access control, inspection of mail and packages, directed security patrols, perimeter security provided by the Federal Protective Service, and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100–702).

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$397,737,000. The recommendation is \$29,457,000 above the fiscal year 2006 funding level and \$12,597,000 below the budget request.

The Committee is concerned about the security of the United States Courthouses and is committed to ensuring the Nation's Federal appellate and district courts possess adequate security measures. Sufficient funding has been provided to retain and hire all requested court security officers for fiscal year 2007. While the Committee has provided funding for the digital video recording initiative, the Committee is concerned about the significant costs associated with procuring these systems. The Committee notes that the United States Marshall's Service has indicated that the vast majority of digital video recorders can be purchased for substantially less than expected and urges the Administrative Office to work with the United States Marshall's Service to ensure optimum cost efficiencies.

The Committee has limited the judiciary's payments to the Federal Protective Service [FPS] to no more than \$66,900,000 and directs the Administrative Office to obtain regular notifications from the FPS on any changes in funding requirements.

*Judicial Facility Security Program.*—As provided in bill language, the United States Marshals Service [USMS] is responsible for administering the Judicial Facility Security Program consistent with standards and guidelines agreed to by the Director of the Administrative Office of the U.S. Courts and the Attorney General. However, court security funding is appropriated by Congress directly to the judiciary which provides an important stewardship role, including financial and program oversight. While court security funding is subsequently transferred to the USMS, which is responsible for program administration, the Committee expects full cooperation from the USMS as the judiciary conducts the fiduciary and program oversight responsibilities pertaining to this funding.

## ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$69,559,000
Budget estimate, 2007 .....	75,333,000
House allowance .....	73,800,000
Committee recommendation .....	74,333,000

## PROGRAM DESCRIPTION

The Administrative Office [AO] of the United States Courts was created in 1939 by an Act of Congress. It serves the Federal judiciary in carrying out its constitutional mission to provide equal justice under the law. Beyond providing numerous services to the Federal courts, the AO provides support and staff counsel to the Judicial Conference of the United States and its committees, and implements Judicial Conference policies as well as applicable Federal statutes and regulations. The AO is the focal point for communication and coordination within the judiciary and with Congress, the executive branch, and the public on behalf of the judiciary.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$74,333,000. This recommendation is \$4,774,000 above the fiscal year 2006 funding level and \$1,000,000 below the budget request.

*Edwin L. Nelson Local Initiative Program.*—As established in the fiscal year 2005 appropriations act, the Edwin L. Nelson Local Initiative Program made grants available to local courts to develop and implement information technology solutions for the unique problems they face. Such grants ensure greater flexibility, access to funds, information sharing and input into the various obstacles that must be overcome to produce a more automated and efficient Federal judiciary. The Committee urges the AO to continue to work with and provide adequate resources to the local courts for this purpose.

## FEDERAL JUDICIAL CENTER

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$22,127,000
Budget estimate, 2007 .....	23,787,000
House allowance .....	23,500,000
Committee recommendation .....	23,390,000

## PROGRAM DESCRIPTION

The Federal Judicial Center, located in Washington, DC, improves the management of Federal judicial dockets and court administration through education for judges and staff and research, evaluation, and planning assistance for the courts and the Judicial Conference. The Center's responsibilities include educating judges and other judicial branch personnel about legal developments and efficient litigation management and court administration. Additionally, the Center also analyzes the efficacy of case and court management procedures and ensures the Federal judiciary is aware of the methods of best practice.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$23,390,000. The recommendation is \$1,263,000 above the fiscal year 2006 funding level and \$397,000 below the budget request.

The Committee has included all requested funds in the Center's adjustment to base and half the funds requested for education, re-

search and technology enhancements. The Committee directs the Federal Judicial Center to keep the Committee apprised of staff brought on board throughout fiscal year 2007.

#### JUDICIAL RETIREMENT FUNDS

##### PAYMENT TO JUDICIARY TRUST FUNDS

Appropriations, 2006 .....	\$40,600,000
Budget estimate, 2007 .....	58,300,000
House allowance .....	58,300,000
Committee recommendation .....	58,300,000

##### PROGRAM DESCRIPTION

The funds in this account cover the estimated future benefit payments to be made to retired bankruptcy judges and magistrate judges, claims court judges, and spouses and dependent children of deceased judicial officers.

##### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$58,300,000 for payments to the Judicial Officers' Retirement Fund and the Claims Court Judges Retirement Fund. The recommendation is \$17,700,000 above the fiscal year 2006 funding level and identical to the budget request.

#### UNITED STATES SENTENCING COMMISSION

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$14,256,000
Budget estimate, 2007 .....	15,740,000
House allowance .....	15,500,000
Committee recommendation .....	15,340,000

##### PROGRAM DESCRIPTION

The United States Sentencing Commission establishes, reviews and revises sentencing guidelines, policies and practices for the Federal criminal justice system. The Commission is also required to monitor the operation of the guidelines and to identify and report necessary changes to the Congress.

##### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$15,340,000. The recommendation is \$1,084,000 above the fiscal year 2006 funding level and \$400,000 below the budget request.

#### ADMINISTRATIVE PROVISIONS—THE JUDICIARY

The Committee recommends the following administrative provisions for the judiciary.

Section 401 allows the judiciary to expend funds for the employment of experts and consultant services.

Section 402 allows the judiciary, subject to the Committee's reprogramming procedures, to transfer up to 5 percent between appropriations, but limits to 10 percent the amount that can be transferred into any one appropriation.

Section 403 limits official reception and representation expenses incurred by the Judicial Conference of the United States to no more than \$11,000.

Section 404 requires the Administrative Office to submit an annual financial plan for the judiciary.

Section 405 allows for a salary adjustment for Justices and judges.

Section 406 grants the judicial branch the same tenant alteration authorities as the executive branch.

Section 407 prohibits any judge from being entitled to sole use of a courtroom and requires courtrooms to be scheduled based on the needs of the circuit and district courts. This is intended solely to address circumstances where courtrooms are not in full use and where the sharing of a courtroom will help reduce an overburdened judicial docket.

TITLE V  
EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS  
APPROPRIATED TO THE PRESIDENT  
COMPENSATION OF THE PRESIDENT

Appropriations, 2006 .....	\$450,000
Budget estimate, 2007 <sup>1</sup> .....	450,000
House allowance .....	450,000
Committee recommendation .....	450,000

<sup>1</sup> The budget proposes a consolidation of most accounts for the White House of \$184,252,000.

PROGRAM DESCRIPTION

This account provides for the compensation of the President, including an expense allowance as authorized by 3 U.S.C. 102.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$450,000 for Compensation of the President, including an expense allowance of \$50,000. This is the same as the fiscal year 2006 enacted level and the same as the budget estimate. The expense account is for official use as authorized by title 3 of U.S. Code and is not considered taxable to the President. The bill specifies that any unused amount shall revert to the Treasury consistent with 31 U.S.C. 1552.

WHITE HOUSE OFFICE  
SALARIES AND EXPENSES

Appropriations, 2006 .....	\$53,292,000
Budget estimate, 2007 <sup>1</sup> .....	51,952,000
House allowance .....	51,952,000
Committee recommendation .....	51,952,000

<sup>1</sup> The budget proposes a consolidation of most accounts for the White House of \$184,252,000.

PROGRAM DESCRIPTION

The Salaries and Expenses account of the White House Office provides staff assistance and administrative services for the direct support of the President. The office also serves as the President's representative before the media. In accordance with 3 U.S.C. 105, the office also supports and assists the activities of the First Lady.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$51,952,000 for White House Office Salaries and Expenses. The recommendation is \$1,340,000 less than the fiscal year 2006 enacted level.

The Committee has rejected the administration's request to include many of the offices under the Executive Office of the Presi-



dent under a single, consolidated account. The Committee objects to the overall proposal since it would undermine the ability of the Congress to exercise adequate oversight regarding how these funds are expended. Nevertheless, the Committee has incorporated the responsibilities of the Office of Policy Development [OPD] into the “Salaries and Expenses” account of the White House Office. This represents some \$3,385,000 of funding for OPD. The Committee agrees with the administration that this consolidation is a logical approach that will allow the White House to better manage its resources. The Committee includes \$1,500,000 for the Privacy and Civil Liberties Oversight Board as a separate account.

The Executive Office of the President submitted its fiscal year 2007 budget request later than other agencies. This delay made it difficult for the Committee to begin its work. The Committee encourages the Executive Office of the President to submit its budget justification within a few days of the publication of the President’s budget. The Committee directs the Executive Office of the President to include detailed budget information for the Civil Liberties Oversight Board in next year’s justification.

#### EXECUTIVE RESIDENCE AT THE WHITE HOUSE

##### OPERATING EXPENSES

Appropriations, 2006 .....	\$12,312,000
Budget estimate, 2007 <sup>1</sup> .....	12,041,000
House allowance .....	12,041,000
Committee recommendation .....	12,041,000

<sup>1</sup>The budget proposes a consolidation of most accounts for the White House of \$184,252,000, including this account.

##### PROGRAM DESCRIPTION

These funds provide for the care, maintenance, repair, alteration, refurbishing, improvement, air-conditioning, heating, and lighting, of the White House and the official and ceremonial functions of the President.

##### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$12,041,000 for the Executive Residence at the White House. The Committee recommendation is \$271,000 less than the fiscal year 2006 enacted level and is equal to certain assumptions in the budget estimate. In particular, the administration’s request includes many of the accounts under the Executive Office of the President under a single, consolidated account, including this account. The Committee objects to the overall proposal since it would undermine the ability of the Congress to exercise adequate oversight regarding how these funds are expended. The accompanying bill also continues certain restrictions on reimbursable expenses for use of the Executive Residence that were enacted for fiscal year 2004.

## WHITE HOUSE REPAIR AND RESTORATION

Appropriations, 2006 .....	\$1,683,000
Budget estimate, 2007 <sup>1</sup> .....	1,600,000
House allowance .....	1,600,000
Committee recommendation .....	1,600,000

<sup>1</sup>The budget proposes a consolidation of most accounts for the White House of \$184,252,000, including this account.

## PROGRAM DESCRIPTION

This account funds the repair, alteration, and improvement of the Executive Residence at the White House, a separate account was established in fiscal year 1996 to program and track expenditures for the capital improvement projects at the Executive Residence at the White House.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,600,000 for White House Repair and Restoration, the same amount as assumed in the overall budget request and a reduction of \$83,000 from the fiscal year 2006 enacted level.

## COUNCIL OF ECONOMIC ADVISERS

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$4,000,000
Budget estimate, 2007 <sup>1</sup> .....	4,002,000
House allowance .....	4,002,000
Committee recommendation .....	4,002,000

<sup>1</sup>The budget proposes a consolidation of most accounts for the White House of \$184,252,000, including this account.

## PROGRAM DESCRIPTION

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in the preparation of the annual Economic Report of the President to Congress.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,002,000 for salaries and expenses of the Council of Economic Advisers. This amount is the same as the amount assumed in the overall budget request and is \$2,000 more than the fiscal year 2006 enacted level.

## OFFICE OF POLICY DEVELOPMENT

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$3,465,000
Budget estimate, 2007 <sup>1</sup> .....	3,385,000
House allowance .....	3,385,000
Committee recommendation .....	3,385,000

<sup>1</sup>This budget proposes a consolidation of most accounts of the White House of \$184,252,000, including this account.

## PROGRAM DESCRIPTION

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council, in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities as directed by the President.

## COMMITTEE RECOMMENDATION

The Committee does not recommend funds for the Office of Policy Development as an independent office and has merged the office and funds into the White House Office. In particular, the administration's request includes many of the accounts under the Executive Office of the President under a single, consolidated account, including this account. While the Committee objects to the overall proposal since it would undermine the ability of the Congress to exercise adequate oversight regarding how these funds are expended, the Committee believes this merger will facilitate a better use of these funds while preserving adequate oversight of their use.

## NATIONAL SECURITY COUNCIL

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$8,618,000
Budget estimate, 2007 <sup>1</sup> .....	8,405,000
House allowance .....	8,405,000
Committee recommendation .....	8,405,000

<sup>1</sup>The budget proposes a consolidation of most accounts of the White House of \$184,252,000, including this account.

## PROGRAM DESCRIPTION

The National Security Council advises the President in integrating domestic, foreign, and military policies relating to the national security.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$8,405,000 for the salaries and expenses of the National Security Council [NSC]. This amount is the same as assumed in the budget request and \$213,000 less than the fiscal year 2006 enacted level.

## OFFICE OF ADMINISTRATION

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$88,429,000
Budget estimate, 2007 <sup>1</sup> .....	102,417,000
House allowance .....	91,393,000
Committee recommendation .....	91,393,000

<sup>1</sup>This budget proposes a consolidation of most accounts of the White House of \$184,252,000, including this account.

## PROGRAM DESCRIPTION

The Office of Administration's mission is to provide high-quality, cost-effective administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

## COMMITTEE RECOMMENDATION

The Committee has provided \$91,393,000 to the Office of Administration for fiscal year 2007, an increase of \$2,964,000 over the fiscal year 2006 enacted level and a decrease of \$11,024,000 below the budget request.

The Committee includes the funding levels for the Office of Administration activities at the proposed levels included in its budget justifications. In addition to the recommended level of funding, the Office of Administration receives reimbursements for information management support and general office services.

## OFFICE OF MANAGEMENT AND BUDGET

## SALARIES AND EXPENSES

Appropriations, 2006 <sup>1</sup> .....	\$76,161,000
Budget estimate, 2007 .....	68,780,000
House allowance .....	76,185,000
Committee recommendation .....	76,185,000

## PROGRAM DESCRIPTION

The Office of Management and Budget [OMB] assists the President in the discharge of his budgetary, management, and other executive responsibilities.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$76,185,000 for the Office of Management and Budget which is \$24,000 more than the fiscal year 2006 enacted level and \$7,405,000 above the budget request.

In 2005, the Federal Government failed to meet Executive order and statutory energy savings goals for the first time in more than a decade. Within 120 days after enactment of this act, the Committee directs the Director of the Office of Management and Budget, with assistance from appropriate Federal agencies, to issue a report to the Committees on Appropriations regarding the administration's and OMB's plans to monitor, measure, and increase Federal agency performance and participation in energy and environmental management. The Committee is particularly interested in products and services that guarantee energy and taxpayer savings, that measure performance, and that involve public/private partnerships. A specific focus of the report should include possible statutory obstacles.

## OFFICE OF NATIONAL DRUG CONTROL POLICY

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$26,639,000
Budget estimate, 2007 .....	23,309,000
House allowance .....	26,928,000
Committee recommendation .....	11,500,000

## PROGRAM DESCRIPTION

The Office of National Drug Control Policy [ONDCP], established by the Anti-Drug Abuse Act of 1988, and reauthorized by Public Law 105-277, is charged with developing policies, objectives and priorities for the National Drug Control Program. In addition, ONDCP administers the Counterdrug Technology Assessment Center, the High Intensity Drug Trafficking Areas program, the National Youth Anti-Drug Media Campaign, the Drug Free Communities Program and several other related initiatives.

This account provides funding for personnel compensation, travel, and other basic operations of the Office, and for general policy research to support the formulation of the National Drug Control Strategy.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$11,500,000 for ONDCP's salaries and expenses. This amount is \$11,809,000 below the budget request and \$15,139,000 below the fiscal year 2006 enacted level.

The Committee is extremely displeased with the performance of ONDCP staff regarding their communication with the Committee and their responsiveness to congressional inquiries. ONDCP's lethargy and the inadequate information provided severely impacts the ability of the Committee to conduct its oversight and make budgetary decisions in a timely manner. This kind of unresponsiveness on the part of ONDCP results in an unnecessary waste of time and energy; numerous follow up communications are required in almost every instance. The Committee is particularly concerned that ONDCP has attempted to prevent the Committee from meeting with the directors of ONDCP programs. Therefore the Committee has reduced the salaries and expenses budget to more closely reflect actual performance.

The principal purpose of the White House Office of National Drug Control Policy [ONDCP] is to establish priorities, objectives, and policies for the Nation's drug control program. The Committee is concerned that the overall organization of ONDCP is ineffective and must be improved. In fact, 6 years ago an independent review found weaknesses in ONDCP management and organization, unfortunately these problems persist today. The Committee believes an investigation into funding allocations and expenditures, as well as the use of resources is warranted. The Committee believes an independent review of the overall organization and management of grants and funding systems would be beneficial to ONDCP and the Congress. Such an evaluation may provide insight into changes and improvements that could make ONDCP more effective in the future. Therefore, the Committee has allocated funding for a study

by the National Academy of Public Administration [NAPA] to conduct a review of organization and management. In addition, the Committee also requests that the Government Accountability Office [GAO] review the grant management systems, and other funding systems—emphasizing the criteria and methodology used to award and distribute funds. The Committee is aware and supportive of GAO’s impending review of the Drug-Free Communities program, and recommends that GAO also review the Counterdrug Technology Assessment Center and High Intensity Drug Trafficking Areas Program, among others. The Committee expects NAPA and GAO to work together, sharing progress and information during the course of their reviews, which should begin within 60 days after the enactment of this act.

The Committee directs the Director to provide to the Committees on Appropriations quarterly reports on travel expenditures, summarized by office, program, and individual, including dates and purpose of travel. The Committee further directs the Director to provide to the Committees on Appropriations quarterly reports on current staffing levels and plans for future hirings. The staffing report shall include office, position title, salary, and job classifications of all persons employed by ONDCP, including contractors.

#### COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriations, 2006 .....	\$29,700,000
Budget estimate, 2007 .....	9,600,000
House allowance .....	19,600,000
Committee recommendation .....	20,000,000

#### PROGRAM DESCRIPTION

The Counterdrug Technology Assessment Center [CTAC] was established by the Counter-Narcotics Technology Act of 1990 (Public Law 101–510) and reauthorized in 1998 (Public Law 105–277) to serve as the central counterdrug technology research and development organization for the United States Government. CTAC encompasses two separate functions: (1) the Research and Development program [R&D], which supports improvements to counterdrug capabilities that transcend the need of any single Federal agency; and (2) the Technology Transfer Program [TTP], which provides state-of-the-art, affordable, easily integrated and maintainable tools to enhance the capabilities of State and local law enforcement agencies for counterdrug missions.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,000,000 for the Counterdrug Technology Assessment Center, a decrease of \$9,700,000 from the fiscal year 2006 enacted level and \$10,400,000 above the President’s request. Included in the appropriation is \$10,000,000 for demand reduction and \$10,000,000 for the Technology Transfer Program. The Committee continues to support the mandate that CTAC’s authority “shall not extend to contracts, management of individual projects, or other operational activities,” and should continue to transfer its appropriated funds to Contracting and Technical Agents at other Federal and military departments and agencies.

*Demand Reduction R&D.*—The Committee fully supports continuing the CTAC demand reduction program and reminds ONDCP that the fiscal year 2006 conference report directed the “completion of existing imaging system instrumentation validation effects at qualified academic institutions.”

The report further directed that: “a spending plan be included in the ONDCP operating plan for fiscal year 2006.” This plan has not been received by the Committee, therefore the Committee directs submission of the fiscal year 2006 plan 30 days after enactment of this act. The plan shall include an accounting of the use of the fiscal year 2006 CTAC R&D appropriated funds and an accounting of all fiscal year 2006 funds that are unobligated and unexpended and the rationale for inaction.

For fiscal year 2007, not more than \$1,000,000 of the funding provided for counternarcotics research and development projects is directed toward supply reduction activities. The Committee directs submission of a spending plan for fiscal year 2007 that reinstates the demand instrumentation infrastructure development program. The plan must include demand instrumentation and infrastructure systems and technology development projects that would provide researchers with the tools to conduct more advanced NIH, NIDA, SAMHSA, NIMH drug addiction and scientific studies. The Committee further directs the fiscal year 2007 funds with expenditure project execution authority be completed and transferred to other Federal departments and agencies within 45 days of enactment of this act.

*Technology Transfer Program.*—The Committee believes that this program demonstrates the best direct assistance the Federal Government has to offer to State and local law enforcement. The Committee is encouraged by the positive reception this program continues to receive by State and local law enforcement agencies. Thus prompting the Committee to request that the fiscal year 2008 budget request include a specific accounting of the total number of TTP applications received and the number awarded in the previous year, so that the Committee may have a true understanding of CTAC’s ability to meet demand.

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### FEDERAL DRUG CONTROL PROGRAMS

##### HIGH INTENSITY DRUG TRAFFICKING AREAS

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$224,730,000
Budget estimate, 2007 .....	
House allowance .....	235,000,000
Committee recommendation .....	227,000,000

##### PROGRAM DESCRIPTION

The High Intensity Drug Trafficking Areas [HIDTA] program was established by the Anti-Drug Abuse Act of 1988, as amended, and the Office of National Drug Control Policy’s reauthorization (Public Law 105–277) to provide assistance to Federal, State and

local law enforcement entities operating in those areas most adversely affected by drug trafficking.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$227,000,000 for the HIDTA program, an increase of \$2,270,000 over the fiscal year 2006 level and \$227,000,000 over the budget request which proposed to transfer the program to the Department of Justice. This program is an important function of ONDCP and should not be transferred. The Committee directs that funding shall be provided for the existing HIDTAs at no less than the fiscal year 2006 initial allocation level, unless the Director submits to the House and Senate Committees on Appropriations, and the Committees approve, a request for reprogramming of the funds based on clearly articulated priorities for the HIDTA program, as well as published ONDCP performance measures of effectiveness. Furthermore, the Committee directs the Director to take appropriate steps to ensure that the HIDTA funds are transferred to the appropriate drug control agencies expeditiously.

In allocating HIDTA funds, the Committee expects the Director of ONDCP to ensure that the entities receiving these limited resources make use of them strictly for implementing the strategy for each HIDTA, taking into consideration local conditions and resource requirements. In this regard, methamphetamine is a primary illicit drug threat across the country. Its widespread use and resulting addiction, combined with the overwhelming availability of high purity, low cost methamphetamine is cause for serious concern. Cocaine and heroin also represent significant threats and Ecstasy is an increasing danger. Marijuana is readily available and widely abused across the United States. Canadian-produced marijuana, commonly known as BC Bud, and potent marijuana from the Appalachian States are two examples that demonstrate the value of marijuana eradication programs.

The HIDTA funds should not be used to supplant existing support for ongoing Federal, State, or local drug control operations normally funded out of the operating budgets of each agency. ONDCP is directed to hold back all HIDTA funds from a State until such time as a State or locality has met its financial obligation.

The Committee is disappointed by ONDCP's delay in the award of HIDTA funding, and includes provisions in the bill to address this issue.

*Allocation of Additional Funds.*—The Committee is disappointed in the manner that ONDCP chooses to allocate funds. While the Committee supports the areas to which the additional funding is now directed, the Committee does not believe that these programs are being judiciously funded. ONDCP continues to disregard the congressional directive that at least \$2,000,000 should be spent on new counties. The Committee believes new counties to be those that have not previously received HIDTA funding, and are an expansion of an existing HIDTA. The Committee includes provisions in the bill to address this issue.



## OTHER FEDERAL DRUG CONTROL PROGRAMS

Appropriations, 2006 .....	\$192,951,000
Budget estimate, 2007 .....	212,160,000
House allowance .....	194,000,000
Committee recommendation .....	214,500,000

## PROGRAM DESCRIPTION

The Anti-Drug Abuse Act of 1988 (Public Law 100–690), as amended, and the Office of National Drug Control Policy’s reauthorization (Public Law 105–277) established the Special Forfeiture Fund to be administered by the Director of the Office of National Drug Control Policy in support of high priority drug control programs. This account includes the following programs: National Youth Anti-Drug Media Campaign, Drug Free Communities Support Program, U.S. Anti-Doping Agency, National Drug Court Institute, Performance Measures Development, and World Anti-Doping Agency [WADA] membership dues.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$214,500,000 for Other Federal Drug Control Programs, which is \$2,340,000 more than the requested amount and \$21,549,000 more than the fiscal year 2006 enacted level. Within this amount, the Committee provides the following funding levels:

	Amount
National Youth Anti-Drug Media Campaign .....	\$120,000,000
Drug Free Communities Support Program .....	80,000,000
U.S. Anti-Doping Agency .....	9,000,000
National Drug Court Institute .....	1,000,000
National Alliance for Model State Drug Laws .....	1,000,000
Performance Measure Development .....	2,000,000
World Anti-Doping Agency [WADA] .....	1,500,000

*National Youth Anti-Drug Media Campaign.*—The Committee has provided consistent monetary support for the National Youth Anti-Drug Media Campaign since it was initially funded by Congress in fiscal year 1998. The Committee continues to be concerned about the direction and efficacy of the Media Campaign as it is currently structured, and notes that independent reports have concluded that the Media Campaign has not had a demonstrable nationwide effect on reducing drug use among the Campaign’s target population. The Committee provides \$120,000,000 for the Media Campaign, of which \$15,000,000 shall be for the continuation of anti-methamphetamine advertising. The Committee is concerned with the priorities of the Media Campaign and wants to assure that America’s meth problem is addressed in a responsible manner by the Office of National Drug Control Policy. Of these funds, \$20,000,000 may not be made available for use unless GAO certifies that the program is meeting the benchmarks established by OMB.

The Committee remains concerned with the large proportion of Media Campaign resources devoted to administrative costs. The bill, therefore, directs that no more than 10 percent of the funding provided for the Media Campaign be used for administrative costs.

*Drug-Free Communities Support Program.*—ONDCP has directed the Drug-Free Communities Support Program [DFCSP] in partnership with the Office of Juvenile Justice and Delinquency Prevention since it was created by the Drug-Free Communities Act of 1997 (Public Law 105–20). DFCSP provides matching grants of up to 25 percent to local coalitions that mobilize their communities to prevent youth alcohol, tobacco, illicit drug, and inhalant abuse. Such grants support coalitions of youth; parents; media; law enforcement; school officials; faith-based organizations; fraternal organizations; State, local, and tribal government agencies; healthcare professionals; and other community representatives. The DFCSP enables these coalitions to strengthen their coordination and prevention efforts, encourage citizen participation in substance abuse reduction efforts, and disseminate information about effective programs. The Committee provides \$80,000,000 for the continuation of the DFCSP.

The Committee has also included a provision in the bill directing ONDCP to provide \$2,000,000 of DFCSP funds as a direct grant to the Community Anti-Drug Coalitions of America in order to sustain the National Community Anti-Drug Coalition Institute.

The Committee is displeased with the sudden changes made by ONDCP to the DFCSP, therefore the Committee has included a provision in the accompanying bill to address this issue.

*United States Anti-Doping Agency.*—The United States Anti-Doping Agency [USADA] is the independent anti-doping agency for Olympic sports in the United States, and is responsible for managing the testing and adjudication process for U.S. Olympic, Pan Am and Paralympic athletes. As a nonprofit corporation under the leadership of an independent Board of Directors, USADA has the authority to set forth guiding principles in anti-doping policy and to enforce any doping violations. In addition to managing collection and testing procedures, USADA is also responsible for enhancing research efforts and promoting educational programs to inform athletes of the rules governing the use of performance enhancing substances, the ethics of doping and its harmful health effects.

The Committee provides \$9,000,000 for USADA, which is \$500,000 more than the requested amount. USADA's efforts with respect to the Bay Area Laboratory Co-operative [BALCO] and the new threat of human growth hormone provide examples of the challenges facing this agency.

*World Anti-Doping Agency.*—ONDCP is a full participant in the World Anti-Doping Agency [WADA], which promotes and coordinates international activities against doping in all forms of sports. The Committee provides \$1,500,000 for membership dues to the WADA, consistent with the commitment the United States has WADA. In providing these funds, the Committee directs ONDCP to use its voice and vote as the United States' representative in this world body to ensure that all countries' athletes are subject to fair and equal standards and treatment. Thus establishing and maintaining the objectivity and integrity of this fledgling international athletic regulatory organization.

*National Drug Court Institute.*—The National Drug Court Institute facilitates the growth of the drug court movement by promoting and disseminating education, research, and scholarship con-

cerning drug court programs and providing a comprehensive drug court training series for practitioners. Drug courts provide an effective means to fight drug-related crime through the cooperative efforts of State and local law enforcement, the judicial system, and the public health treatment network. The Committee provides \$1,000,000 for the National Drug Court Institute.

*National Alliance For Model State Drug Laws.*—The National Alliance for Model State Drug Laws [NAMSDL] is a national organization that drafts, researches, and analyzes model drug and alcohol laws and related State statutes, provides access to a national network of drug and alcohol experts, and facilitates working relationships among State and community leaders and drug and alcohol professionals. In doing so, NAMSDL encourages States to adopt and implement laws, policies, and regulations to reduce drug trafficking, drug use, and their related consequences. The Committee provides \$1,000,000 to NAMSDL and directs ONDCP to provide the entire amount directly to NAMSDL within 30 days after enactment of this act.

*Performance Measures Development.*—Performance Measures Development [PMD] funding is used to conduct evaluation research for assessing the effectiveness of the National Drug Control Strategy. For this function, the Committee provides \$2,000,000, which is the same as the requested amount.

Projects undertaken with these resources are to entail efforts to encourage and work with selected programs to develop and improve needed data sources.

#### UNANTICIPATED NEEDS

Appropriations, 2006 .....	\$990,000
Budget estimate, 2007 .....	11,789,000
House allowance .....	1,000,000
Committee recommendation .....	1,000,000

#### PROGRAM DESCRIPTION

These funds enable the President to meet unanticipated exigencies in support of the national interest, security, or defense.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000, which is \$10,000 more than appropriated in fiscal year 2006 and \$10,789,000 below the budget request.

#### SPECIAL ASSISTANCE TO THE PRESIDENT

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$4,410,000
Budget estimate, 2007 .....	4,352,000
House allowance .....	4,352,000
Committee recommendation .....	4,352,000

#### PROGRAM DESCRIPTION

This appropriation provides for staff and expenses to enable the Vice President to provide assistance to the President in connection with the performance of executive duties and responsibilities. The

Vice President also has a staff funded by the Senate to assist him in the performance of his legislative duties. These funds also support the official activities of the spouse of the Vice President.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,352,000 for special assistance to the President. This amount is the same as the budget request and \$58,000 below than the fiscal year 2006 enacted level.

#### OFFICIAL RESIDENCE OF THE VICE PRESIDENT

##### OPERATING EXPENSES

Appropriations, 2006 .....	\$322,000
Budget estimate, 2007 .....	317,000
House allowance .....	317,000
Committee recommendation .....	317,000

##### PROGRAM DESCRIPTION

This account supports the care and operation of the Vice President's residence on the grounds of the Naval Observatory. These funds specifically support equipment, furnishings, dining facilities, and services required to perform and discharge the Vice President's official duties, functions and obligations.

Funds to renovate the residence are provided through the Department of the Navy budget. The Committee has had a long-standing interest in the condition of the residence and expects to be kept fully apprised by the Vice President's office of any and all renovations and alterations made to the residence by the Navy.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$317,000 for the official residence of the Vice President. This amount is the same as the budget request and \$5,000 less than the fiscal year 2006 enacted level.

#### ADMINISTRATIVE PROVISIONS—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

##### (INCLUDING TRANSFER OF FUNDS)

Section 501. The Committee continues a provision that provides flexibility in the use of funds in accounts under the Executive Office of the President.

Section 502. The Committee includes a new provision requiring a financial plan by the Director of the ONDCP prior to the obligation of funds in fiscal year 2007.

Section 503. The Committee includes a new provision allowing for the transfer of up to 3 percent among programs within ONDCP.

Section 504. The Committee includes a new provision establishing new reprogramming requirements for ONDCP.

Section 505. The Committee includes a new provision requiring ONDCP to comport with budget estimates except as otherwise provided in this act, or through an approved reprogramming.

TITLE VI  
INDEPENDENT AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE  
BOARD

SALARIES AND EXPENSES

Appropriations, 2006 .....	\$5,882,000
Budget estimate, 2007 .....	5,957,000
House allowance .....	5,957,000
Committee recommendation .....	5,957,000

PROGRAM DESCRIPTION

The Architectural and Transportation Barriers Compliance Board (Access Board) was established by section 502 of the Rehabilitation Act of 1973. The Access Board was reauthorized in the Rehabilitation Act Amendments of 1992, Public Law 102-569. Under this authorization, the Access Board's functions are to ensure compliance with the Architectural Barriers Act of 1968, the Telecommunication Act and to develop guidelines for and technical assistance to individuals and entities with rights or duties under titles II and III of the Americans with Disabilities Act. The Access Board establishes minimum accessibility guidelines and requirements for public accommodations and commercial facilities, transit facilities and vehicles, State and local government facilities, children's environments, and recreational facilities. The Access Board also provides technical assistance to Government agencies, public and private organizations, individuals, and businesses on the removal of accessibility barriers.

In 2002, the Access Board was given additional responsibilities under the Help America Vote Act. The Access Board serves on the Board of Advisors and the Technical Guidelines Development Committee, which helps Election Assistance Commission develop voluntary guidelines and guidance for voting systems, including accessibility for people with disabilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,957,000 for the operations of the Architectural and Transportation Barriers Compliance Board, the funding level requested by the administration and \$75,000 over the fiscal year 2006 level.

## CONSUMER PRODUCT SAFETY COMMISSION

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$62,370,000
Budget estimate, 2007 .....	62,370,000
House allowance .....	62,370,000
Committee recommendation .....	62,370,000

## PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

## COMMITTEE RECOMMENDATION

The Committee recommends \$62,370,000 for the Consumer Product Safety Commission, which is equal to the budget request and the same as the fiscal year 2006 enacted level.

## ELECTION ASSISTANCE COMMISSION

## SALARIES AND EXPENSES

## (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$14,058,000
Budget estimate, 2007 .....	16,908,000
House allowance .....	16,908,000
Committee recommendation .....	17,000,000

## PROGRAM DESCRIPTION

The Election Assistance Commission [EAC] was created by the Help America Vote Act of 2002 [HAVA]. Under HAVA, the EAC's role is to promulgate voluntary State guidelines for election systems, develop a national certification program for voting equipment, and provide related guidance. The EAC is also charged with awarding grants to improve election administration and enhancing election equipment.

## COMMITTEE RECOMMENDATION

The Committee provides \$17,000,000 for EAC's administrative expenses, which is \$2,942,000 more than the fiscal year 2006 level.

The accompanying bill provides \$4,950,000 of these funds for transfer to the National Institute for Standards and Technology for technical assistance related to the development of voluntary State voting systems guidelines.

#### FEDERAL DEPOSIT INSURANCE CORPORATION

##### OFFICE OF INSPECTOR GENERAL

Appropriations, 2006 .....	\$30,690,000
Budget estimate, 2007 .....	26,256,000
House allowance .....	26,256,000
Committee recommendation .....	26,256,000

##### PROGRAM DESCRIPTION

The FDIC Office of Inspector General conducts audits, investigations, and other reviews to assist and augment the FDIC's contribution to the stability of, and public confidence in, the Nation's financial system. A separate appropriation more effectively ensures the OIG's independence consistent with the Inspector General Act of 1978, as amended and other legislation.

##### COMMITTEE RECOMMENDATION

The Committee recommends \$26,256,000 for the FDIC inspector general, the same as the budget request and \$4,434,000 less than the fiscal year 2006 enacted level. Funds are to be derived by transfer from the Deposit Insurance Fund and the FSLIC resolution fund.

#### FEDERAL ELECTION COMMISSION

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$54,153,000
Budget estimate, 2007 .....	57,138,000
House allowance .....	57,138,000
Committee recommendation .....	57,138,000

##### PROGRAM DESCRIPTION

The Federal Election Commission [FEC] was created through the 1974 Amendments to the Federal Election Campaign Act of 1971 [FECA]. Consistent with its duty of executing our Nation's Federal campaign finance laws, and in pursuit of its mission of maintaining public faith in the integrity of the Federal campaign finance system, FEC conducts three major regulatory programs: (1) providing public disclosure of funds raised and spent to influence Federal elections; (2) enforcing compliance with restrictions on contributions and expenditures made to influence Federal elections; and (3) administering public financing of Presidential campaigns.

##### COMMITTEE RECOMMENDATION

The Committee recommends \$57,138,000 for the Federal Election Commission, which is the same as the budget request and \$2,985,000 more than the fiscal year 2006 enacted level.

## FEDERAL LABOR RELATIONS AUTHORITY

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$25,213,000
Budget estimate, 2007 .....	25,218,000
House allowance .....	25,218,000
Committee recommendation .....	25,218,000

## PROGRAM DESCRIPTION

The Federal Labor Relations Authority [FLRA] is an independent administrative Federal agency created by title VII of the Civil Service Reform Act of 1978 with a mission to carry out five statutory responsibilities: (1) determining the appropriateness of units for Labor organization representation; (2) resolving complaints of unfair labor practices; (3) adjudicating exceptions to arbitrator's awards; (4) adjudicating legal issues relating to duty to bargain; and (5) resolving impasses during negotiations.

The FLRA's authority is divided by law and by delegation among a three-member authority and an Office of General Counsel, appointed by the President and subject to Senate confirmation; and the Federal Service Impasses Panel, which consists of seven part-time members appointed by the President.

In addition, the FLRA is engaged in case-related interventions and training and facilitation of labor-management partnerships and in resolving disputes. FLRA promotes labor-management cooperation by providing training and assistance to labor organizations and agencies on resolving disputes, facilitates the creation of partnerships, and trains the parties on rights and responsibilities under the Federal Relations Labor Relations Management statute.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,218,000 for the Federal Labor Relations Authority. This amount is the same as the President's budget request and \$5,000 above the fiscal year 2006 enacted level.

## FEDERAL MARITIME COMMISSION

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$20,294,000
Budget estimate, 2007 .....	21,474,000
House allowance .....	20,294,010
Committee recommendation .....	21,474,000

## PROGRAM DESCRIPTION

The Federal Maritime Commission [FMC] is an independent regulatory agency which administers the Shipping Act of 1984 (Public Law 98-237) as amended by the Ocean Shipping Reform Act of 1998 (Public Law 105-258); section 19 of the Merchant Marine Act, 1920 (41 Stat. 998); the Foreign Shipping Practices Act of 1988 (Public Law 100-418); and Public Law 89-777.

FMC regulates the international waterborne commerce of the United States. In addition, the FMC has responsibility for licensing and bonding ocean transportation intermediaries and assuring that



vessel owners or operators establish financial responsibility to pay judgments for death or injury to passengers, or nonperformance of a cruise, on voyages from U.S. ports. Major program areas for 2006 are: carrying out investigations of foreign trade practices under the Foreign Shipping Practices Act; maintaining equitable trading conditions in U.S. ocean commerce; ensuring compliance with applicable shipping statutes; pursuing an active enforcement program designed to identify and prosecute violators of the shipping statutes; and reviewing ocean carrier operational and pricing agreements to guard against excessively anticompetitive effects.

#### COMMITTEE RECOMMENDATION

The Committee includes \$21,474,000 for the salaries and expenses of the Federal Maritime Commission for fiscal year 2007. This amount is the same as the budget request and \$1,180,000 above the fiscal year 2006 enacted level.

#### GENERAL SERVICES ADMINISTRATION

The General Services Administration [GSA] was established by the Federal Property and Administrative Services Act of 1949 when Congress mandated the consolidation of the Federal Government's real property and administrative services. GSA is organized into the Public Buildings Service, the Federal Supply Service, the Federal Technology Service, the Office of Governmentwide Policy, and the Office of Citizen Services and Communications.

#### FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF REVENUE

##### (INCLUDING TRANSFER OF FUNDS)

Limitation of availability of revenue:	
Limitation on availability, 2006 .....	\$7,752,745,000
Limitation on availability, 2007 .....	8,046,666,000
House allowance .....	7,180,886,000
Committee recommendation .....	8,064,737,000

The Federal Buildings Fund program consists of the following activities financed from rent charges:

*Construction and Acquisition of Facilities.*—Space is acquired through the construction or purchase of facilities and prospectus-level extensions to existing buildings. All costs directly attributable to site acquisition, construction, and the full range of design and construction services, and management and inspection of construction projects are funded under this activity.

*Repairs and Alterations.*—Repairs and alterations of public buildings as well as associated design and construction services are funded under this activity. Protection of the Government's investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also provides for conversion of existing facilities and non-prospectus extensions.

*Installment Acquisition Payments.*—Payments are made for liabilities incurred under purchase contract authority and lease pur-

chase arrangements. The periodic payments cover principal, interest on the debt incurred for construction of Federal buildings.

*Rental of Space.*—Space is acquired through the leasing of buildings including space occupied by Federal agencies in U.S. Postal Service facilities, 174 million rentable square feet in fiscal year 2006, and 180 million rentable square feet in fiscal year 2007.

*Building Operations.*—Services are provided for Government-owned and leased facilities, including cleaning, utilities and fuel, maintenance, miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision), and general management and administration of all real property related programs including salaries and benefits paid from the Federal Buildings Fund.

*Other Programs.*—When requested by Federal agencies, the Public Buildings Service provides building services, such as tenant alterations, cleaning and other operations, and protection services which are in excess of those services provided under the commercial rental charge. For presentation purposes, the balances of the Unconditional Gifts of Real, Personal, or Other Property trust fund have been combined with the Federal Buildings Fund.

#### CONSTRUCTION AND ACQUISITION

Limitation on availability, 2006 .....	(\$792,056,000)
Limitation on availability, 2007 .....	(690,095,000)
House allowance .....	374,095,000
Committee recommendation .....	708,166,000

#### PROGRAM DESCRIPTION

The construction and acquisition fund shall be available for site, design, construction, management, and inspection costs for the construction of new Federal facilities.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$708,166,000 for the fund.

The judicial branch has indicated that it is in a funding crisis, in part, precipitated by the deficit concerns facing the Federal Government and, from its perspective, an onerous financial burden caused by GSA rent bills for Federal courtroom space.

The Committee is concerned by continued efforts by the Federal judiciary to circumvent paying rents to the Federal Buildings Fund [FBF]. In a recent report by the Government Accountability Office on the courthouse construction program, GAO stated that any rent exemption for the Federal judiciary would seriously hinder the FBF's ability to accumulate sufficient funds for capital investment for the 68 executive and legislative branch customers that it serves. Because GSA's customer agencies contribute their fair share to the FBF, the FBF is fulfilling its intended role as a source of both operating and capital funds for the Federal Government as a whole.

The Federal judiciary should be aware that the FBF has financed the judiciary's request for courthouse repair and alteration as well as construction. Over the last 20 years, almost \$1,700,000,000 in major modernizations for courthouses were funded by rent paid by executive, legislative, and judicial branch agencies. In addition, the

Committee would note that \$3,400,000,000 in new construction for the Federal judiciary has been spent on approximately 50 new Government-owned and 30 lease-constructed courthouses over the past 10 years.

The Committee is disappointed that the judicial branch has sought to relieve its overall budget problems by challenging the requirement to pay rent and cost of its courthouses. In pursuing the \$3,400,000,000 in new construction of Federal courthouses, the Federal judiciary was well aware that there were rents associated with the approval of these courthouses by Congress. Terms and rents were agreed to by the Federal judiciary, GSA, OMB, and ultimately approved by Congress. The rules of the game can not be changed at this time.

The Committee would also note that the Federal judiciary's Space and Facilities Committee will shortly be releasing its new courthouse management 5-year plan, following a moratorium and time out and review of 2 years. The Committee looks forward to reviewing the additional space and facility needs and increased rent payments that the Federal judiciary will be pursuing.

The Committee notes the rental adjustments made by GSA in favor of the judiciary and urges GSA to continue to monitor and calculate rental charges carefully so as to avoid erroneous billings in the future.

#### REPAIRS AND ALTERATIONS

Limitation on availability, 2006 .....	\$861,376,000
Limitation on availability, 2007 .....	866,194,000
House allowance .....	435,281,000
Committee recommendation .....	866,194,000

#### PROGRAM DESCRIPTION

Under this activity, the General Services Administration [GSA] executes its responsibility for repairs and alterations [R&A] of both Government-owned and leased facilities under the control of GSA. The primary goal of this activity is to provide commercially equivalent space to tenant agencies. Safety, quality, and operating efficiency of facilities are given primary consideration in carrying out this responsibility.

R&A workload requirements originate with scheduled onsite inspections of buildings by qualified regional engineers and building managers. The work identified through these inspections is programmed in order of priority into the Inventory Reporting Information System [IRIS] and incorporated into a 5-year plan for accomplishment, based upon funding availability, urgency, and the volume of R&A work that GSA has the capability to execute annually. Since fiscal year 1995, design and construction services activities associated with repair and alteration projects have been funded in this account.

#### COMMITTEE RECOMMENDATION

The Committee recommends new obligational authority of \$866,194,000 for repairs and alterations in fiscal year 2007. This amount is the same as the President's request.

## INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 2006 .....	\$168,180,000
Limitation on availability, 2007 .....	163,999,000
House allowance .....	163,999,000
Committee recommendation .....	163,999,000

## PROGRAM DESCRIPTION

The Public Buildings Amendments of 1972 enables GSA to enter into contractual arrangements for the construction of a backlog of approved but unfunded projects. This activity provides for the payment of interest to the Federal Financing Bank related to facilities acquired pursuant to the Public Buildings Amendments of 1972 (40 U.S.C. 592).

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$163,999,000 for installment acquisition payments, the same as the budget request and \$4,181,000 below the fiscal year 2006 funding level.

## RENTAL OF SPACE

Limitation on availability, 2006 .....	\$4,046,031,000
Limitation on availability, 2007 .....	4,322,548,000
House allowance .....	4,322,548,000
Committee recommendation .....	4,322,548,000

## PROGRAM DESCRIPTION

GSA is responsible for leasing general purpose space and land incident thereto for Federal agencies, except cases where GSA has delegated its leasing authority. GSA's policy is to lease privately owned buildings and land only when: (1) Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; (2) leasing proves to be more efficient than the construction or alteration of a Federal building; (3) construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or (4) completion of a new Federal building within a reasonable time cannot be assured.

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$4,322,548,000 for rental of space. The Committee recommendation is the same as the President's budget request and \$276,517,000 above the fiscal year 2006 enacted level.

## BUILDING OPERATIONS

Limitation on availability, 2006 .....	\$1,885,102,000
Limitation on availability, 2007 .....	2,003,830,000
House allowance .....	1,885,102,000
Committee recommendation .....	2,003,830,000

## PROGRAM DESCRIPTION

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and building services in GSA-leased space where the terms of the lease do not require the

lessor to furnish such services. Services included in building operations are cleaning, protection, maintenance, payments for utilities and fuel, grounds maintenance, and elevator operations. Other related supporting services include various real property management and staff support activities such as space acquisition and assignment; the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; onsite inspection of building services and operations accomplished by private contractors; and various highly specialized contract administration support functions.

The space, operations, and services referred to above are furnished by GSA to its tenant agencies in return for payment of rent. Due to considerations unique to their operation, GSA also provides varying levels of above-standard services in agency headquarter facilities, including those occupied by the Executive Office of the President, such as the east and west wings of the White House.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$2,003,830,000 for building operations. This amount is the same as the President's budget request and \$118,728,000 above the fiscal year 2006 enacted level.

The Committee is pleased with the initial actions of GSA to promote exercise and good health through the promotion of the use of stairs in Federal buildings, and the Committee encourages these efforts to be continued.

#### GOVERNMENT-WIDE POLICY

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$52,796,000
Budget estimate, 2007 .....	52,550,000
House allowance .....	52,550,000
Committee recommendation .....	52,550,000

#### PROGRAM DESCRIPTION

The Office of Government-wide Policy provides for Government-wide policy development, support, and evaluation functions associated with real and personal property, supplies, vehicles, aircraft, information technology, acquisition, transportation and travel management. This office also provides for the Federal Procurement Data Center, Workplace Initiatives, Regulatory Information Service Center, the Catalog of Federal Domestic Assistance, and the Committee Management Secretariat. The Office of Government-wide Policy, working cooperatively with other agencies, provides the leadership needed to develop and evaluate the implementation of policies designed to achieve the most cost-effective solutions for the delivery of administrative services and sound workplace practices, while reducing regulations and empowering employees.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$52,550,000 for Government-wide Policy. This amount is the same as the Presi-

dent's budget request and is a reduction of \$246,000 below the fiscal year 2006 level.

*Environmental Training Program.*—The Committee is pleased with the significant cost savings recently demonstrated in the environmental analysis efforts undertaken by GSA in the National Capital Region. The Committee recommends that GSA extend this environmental training and analysis program currently underway to other GSA regions. The Committee urges GSA to work with its existing partner to preserve continuity when expanding this program to the eight other GSA regions. The Committee also encourages the utilization of leased employees to implement these cost savings programs in other GSA regions whenever possible.

#### OPERATING EXPENSES

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$99,890,000
Budget estimate, 2007 .....	83,032,000
House allowance .....	80,032,000
Committee recommendation .....	83,032,000

##### PROGRAM DESCRIPTION

Operating Expenses provides funding for Government-wide activities associated with the utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; agency-wide policy direction and management; ancillary accounting, records management, and other support services; services as authorized by 5 U.S.C. 3109; and other related operational expenses.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$83,032,000 for the Operating Expenses. This amount is the same as the administration's request and \$16,858,000 below the fiscal year 2006 enacted level.

#### OFFICE OF INSPECTOR GENERAL

Appropriations, 2006 .....	\$43,410,000
Budget estimate, 2007 .....	44,312,000
House allowance .....	44,312,000
Committee recommendation .....	44,312,000

##### PROGRAM DESCRIPTION

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies within the General Services Administration [GSA], creating conditions for existing or potential instances of fraud, waste and mismanagement. This audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies

and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$44,312,000 for the Office of Inspector General. This amount is the same as the President's budget request and \$902,000 above the fiscal year 2006 enacted level.

#### ELECTRONIC GOVERNMENT [E-GOV] FUND

Appropriations, 2006 .....	\$3,000,000
Budget estimate, 2007 .....	5,000,000
House allowance .....	3,000,000
Committee recommendation .....	5,000,000

#### PROGRAM DESCRIPTION

This program supports interagency "electronic government" or "e-gov" initiatives, i.e., projects that use the Internet or other electronic methods to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities.

Proposals for funding must meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. In addition, a small portion of the money could be used for awards to those project management teams that delivered the best product to meet customer needs.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the Electronic Government Fund. This amount is the same as the President's request. The Committee supports the use of funding under this account for the continued development of an eTravel System, which is designed to centralize a travel system for the Federal Government through a self-service electronic system. The eTravel system when completed will eliminate the hardcopy travel documentation. This program will ultimately automate the entire travel process. Nevertheless, the Committee believes that the eTravel system should be designed to ensure the participation of small business subcontracting and directs GSA to establish benchmarks to ensure the participation and growth of small business participation. These benchmarks shall be no less than 23 percent of all contracted dollars.

#### ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$2,952,000
Budget estimate, 2007 .....	3,030,000
House allowance .....	3,030,000
Committee recommendation .....	3,030,000

## PROGRAM DESCRIPTION

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, George Bush, and Bill Clinton, a pension for the widow of former President Lyndon B. Johnson, and postal franking privileges for the widows of former Presidents Lyndon B. Johnson and Ronald Reagan. Also, this appropriation is authorized to provide funding for security and travel related expenses for each former President and the spouse of a former President pursuant to Section 531 of Public Law 103–329.

## COMMITTEE RECOMMENDATION

The Committee recommends \$3,030,000 for allowances and office staff for former Presidents.

Below is listed a detailed analysis of the Committee's recommendation for fiscal year 2007 funding:

## FISCAL YEAR 2007 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In thousands of dollars]

	Ford	Carter	Bush	Clinton	Widows	Total
Personnel Compensation .....	96	96	96	96	.....	384
Personnel Benefits .....	24	2	63	64	.....	153
Benefits for Former Presidents .....	188	188	188	197	20	781
Travel .....	46	2	55	64	.....	167
Rental Payments to GSA .....	105	102	175	498	.....	880
Communications, Utilities and Miscellaneous charges:						
Telephone .....	16	10	16	77	.....	119
Postage .....	9	15	13	15	8	60
Printing .....	5	5	14	9	.....	33
Other Services .....	37	82	65	113	.....	297
Supplies and Materials .....	18	5	15	16	.....	54
Equipment .....	6	7	48	11	.....	72
Total Obligations .....	550	514	748	1,160	28	3,000
Infrastructure Contingency Planning .....	.....	.....	.....	.....	.....	30
Total Obligations .....	550	514	748	1,160	28	3,030

## FEDERAL CITIZEN INFORMATION CENTER FUND

Appropriations, 2006 .....	\$15,000,000
Budget estimate, 2007 .....	16,866,000
House allowance .....	16,866,000
Committee recommendation .....	16,866,000

## PROGRAM DESCRIPTION

The Federal Citizen Information Center [FCIC] brings together an array of U.S. Government information and services and makes them accessible to the public. This information is made available on the web, via e-mail, in print, or over the telephone.

Originally established within the General Services Administration [GSA] by Executive order on October 26, 1970, to help Federal departments and agencies promote and distribute printed consumer information, FCIC has evolved and consolidated a variety of



complementary functions to augment the original print and media channels through which it informed the public.

On January 28, 2000, the FCIC assumed responsibility for the operations of the Federal Information Center [FIC] program. The FIC program was established within the General Services Administration in 1966, and was formalized by Public Law 95-491 in 1980. The program's purpose is to provide the public with direct information about all aspects of Federal programs, regulations, and services. To accomplish this mission, contractual services are used to respond to public inquiries via the nationwide toll-free National Contact Center.

On June 30, 2002, FCIC assumed operational control of the FirstGov.gov website, the official portal of the U.S. Government, and became a critical part of GSA's newly established Office of Citizen Services and Communications. This Office brings together all of GSA's citizen-centered programs. The new Office serves as a central Federal gateway for citizens, businesses, other governments, and the media to easily obtain information and services from the Government. On March 31, 2003, FCIC began accepting e-mail and fax inquiries from the public through the FirstGov.gov website and responds to them at its National Contact Center.

Public Law 98-63, enacted July 30, 1983, established a revolving fund for the FCIC. Under this fund, FCIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications and contact center services, user fees collected from the public, and any other income incident to FCIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

The Committee recognizes the need for the General Services Administration [GSA] to work with the Federal Protective Service [FPS] of the Department of Homeland Security [DHS] to implement the newly developed FSRM methodology. Implementing the new methodology will facilitate the performance of risk assessments to support new construction, major modernizations and/or pre-lease projects. The Committee remains concerned that a cooperative effort between FPS and GSA is required to fully implement Interagency Security Committee [ISC] Security Design Criteria and the ISC Security Criteria for Leased Space. The GSA will work with DHS to provide engineering expertise to support the structural aspects of the project's specific risk assessments. Therefore, the GSA Public Building Service [PBS] (Office of the Chief Architect and Office of Real Property Asset Management) is directed to continue to work with the private sector to implement the new Federal Security Risk Management methodology to facilitate the application of the process and the software throughout the GSA regions and in consultation with the Department of Homeland Security's Federal Protective Service.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$16,866,000 for the Federal Citizen Information Center, an increase of \$1,866,000 above the fiscal year 2006 enacted level and equal to the budget request.

The appropriation will be augmented by reimbursements from Federal agencies for distribution of consumer publications, user fees from the public, and other income.

#### ADMINISTRATIVE PROVISIONS—GENERAL SERVICES ADMINISTRATION

##### (INCLUDING TRANSFER OF FUNDS)

Section 601 authorizes GSA to credit accounts with certain funds received from Government corporations.

Section 602 authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 603 authorizes GSA to transfer funds within the Federal buildings fund for meeting program requirements.

Section 604 limits funding for courthouse construction which does not meet certain standards of a capital improvement plan.

Section 605 provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.

Section 606 continues the provision that permits GSA to pay small claims (up to \$250,000) made against the Government.

Section 607 prohibits the use of funds by GSA to reorganize its organizational structure except through an operating plan change.

Section 608 includes a new provision as proposed by the Committee on Homeland Security and Governmental Affairs to merge the General Supply Fund and Information Technology Fund into a new Acquisition Services Fund.

Section 609 includes a new provision naming the future Federal courthouse in Nashville, Tennessee.

#### MERIT SYSTEMS PROTECTION BOARD

##### SALARIES AND EXPENSES

##### (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2006 .....	\$35,244,000
Budget estimate, 2007 .....	36,531,000
House allowance .....	36,531,000
Committee recommendation .....	36,550,000

##### PROGRAM DESCRIPTION

The Merit System Protection Board [MSPB] was established by the Civil Service Reform Act of 1978. MSPB is an independent quasi-judicial agency manifested to protect Federal merits systems against partisan political and other prohibited personnel practices and to ensure adequate protection for employees against abuses by agency management.

MSPB assists Federal agencies in running a merit-based civil service system. This is accomplished on a case-by-case basis through hearing and deciding employee appeals, and on a systemic basis by reviewing significant actions and regulations of the Office of Personnel Management [OPM] and conducting studies of the civil service and other merit systems. The intended results of MSPB's efforts are to assure that personnel actions taken against employees are processed within the law, and that actions taken by

OPM and other agencies support and enhance Federal merit principles.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$36,550,000 for the Merit Systems Protection Board, this is an increase of \$1,326,000 above the fiscal year 2006 enacted level and \$19,000 above the President's request. The Committee makes available no more than \$2,605,000 for adjudicated appeals through an appropriation from the trust fund consistent with past practice, allowing for appropriate funding for MSPB to continue as arbitrator for the additional appeals cases from the Department of Defense and the Department of Homeland Security.

#### MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

##### FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

Appropriations, 2006 .....	\$1,980,000
Budget estimate, 2007 .....	
House allowance .....	2,000,000
Committee recommendation .....	2,000,000

#### PROGRAM DESCRIPTION

Public Law 106-568 authorized the Morris K. Udall Foundation to establish training programs for professionals in health care policy and public policy, such as the Native Nations Institute [NNI]. NNI, based at the University of Arizona, will provide Native Americans with leadership and management training and analyze policies relevant to tribes.

The General Fund payment to the Morris K. Udall Fund is invested in Treasury securities with maturities suitable to the needs of the Fund. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Foundation. The Foundation awards scholarships, fellowships and grants, and funds activities of the Udall Center.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,000,000 for the Morris K. Udall Foundation. The Committee includes language to allow up to 60 percent of the appropriation to be used for the expenses of the Native Nations Institute. The Committee also includes language requiring the Foundation to report to the House and Senate Committees on Appropriations on the amount of funding, if any, transferred from the Trust Fund for the Native Nations Institute and justification for such transfers.

##### ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 2006 .....	\$1,881,000
Budget estimate, 2007 .....	693,000
House allowance .....	2,000,000
Committee recommendation .....	2,000,000

## PROGRAM DESCRIPTION

The U.S. Institute for Environmental Conflict Resolution is a Federal program established by Public Law 105–156 to assist parties in resolving environmental, natural resource, and public lands conflicts. The Institute is part of the Morris K. Udall Foundation, and serves as an impartial, non-partisan institution providing professional expertise, services, and resources to all parties involved in such disputes. The Institute helps parties determine whether collaborative problem solving is appropriate for specific environmental conflicts, how and when to bring all the parties together for discussion, and whether a third-party facilitator or mediator might be helpful in assisting the parties in their efforts to reach consensus or to resolve the conflict. In addition, the Institute maintains a roster of qualified facilitators and mediators with substantial experience in environmental conflict resolution, and can help parties in selecting an appropriate neutral.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,000,000 for the Morris K. Udall Environmental Dispute Resolution Fund. This amount is the fiscal year 2006 enacted level and \$1,307,000 above the administration's request.

## NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The National Archives and Records Administration [NARA] is the national recordkeeper. NARA is an independent agency created by statute in 1934 to safeguard the records of all three branches of the Federal Government. NARA administers the Information Security Oversight Office [ISOO], is the publisher of the Federal Register and makes grants for historical documentation through the National Historical Publications and Records Commission [NHPRC].

## OPERATING EXPENSES

Appropriations, 2006 .....	\$280,215,000
Budget estimate, 2007 .....	289,605,000
House allowance .....	281,605,000
Committee recommendation .....	285,915,000

## PROGRAM DESCRIPTION

This account provides for basic operations dealing with management of the Federal Government's archives and records, operation of Presidential Libraries, and for the review for declassification of classified security information.

## COMMITTEE RECOMMENDATION

The Committee recommends \$285,915,000 for operating expenses of the National Archives and Records Administration for fiscal year 2007. This amount is \$3,690,000 below the budget request and \$5,700,000 above the fiscal year 2006 enacted level.

The Committee's recommendation includes additional funds to maintain current service levels, to support the Public Interest Declassification Board, to prepare for the new George W. Bush Presi-

dential Library, and to relocate the Southwest and Central Plains Regional Archives facilities. The Committee has denied additional operating expense funds for the Nixon Presidential Library due to other higher priorities and budget constraints.

#### ELECTRONIC RECORDS ARCHIVES

Appropriations, 2006 .....	\$37,535,000
Budget estimate, 2007 .....	45,455,000
House allowance .....	45,455,000
Committee recommendation .....	48,810,000

#### PROGRAM DESCRIPTION

National Archives and Records Administration [NARA] is developing an Electronic Records Archives [ERA] that will ensure the preservation of and access to Government electronic records. With the rapid changes in technology today, the formats in which records are stored become obsolete within a few years, making records inaccessible even if they are preserved intact with the most modern technology. ERA will preserve electronic records generated in a manner that enables requesters to access them on computer systems now and in the future.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$48,810,000 for the Electronics Records Archives project. This amount is an increase of \$3,355,000 above the budget request and \$11,275,000 above the fiscal year 2006 enacted level. Bill language is included requiring NARA to submit a spend plan for these funds. The Committee has included an additional \$3,355,000 to support NARA's work with the Naval Oceanographic Office at the National Center for Critical Information Processing and Storage at the Stennis Space Center in Mississippi.

The Committee strongly supports the Electronic Record Archives [ERA] program at the National Archives Records Administration. The Committee is concerned that the amount requested in the President's budget may not be adequate to meet current program requirements for the development of systems to interface with agencies, receive all documents, and conduct all necessary training programs, and that some of these activities may be delayed. The Committee is committed to working next year to ensure that this program is adequately funded on an expedited basis so ERA can preserve the nation's important records at the earliest feasible date.

#### REPAIRS AND RESTORATION

Appropriations, 2006 .....	\$9,585,000
Budget estimate, 2007 .....	13,020,000
House allowance .....	13,020,000
Committee recommendation .....	18,790,000

#### PROGRAM DESCRIPTION

This account provides for the repair, alteration, and improvement of Archives facilities and Presidential Libraries nationwide, and provides adequate storage for holdings. It will better enable NARA

to maintain its facilities in proper condition for public visitors, researchers, and NARA employees, and also maintain the structural integrity of the buildings.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$18,790,000 for the repairs and restoration account. This amount is \$9,205,000 above the fiscal year 2006 enacted level and \$5,770,000 above the budget request.

The Committee recommends funds to be distributed as follows:

	Committee recommendation
Ongoing repairs and restoration .....	\$6,120,000
LBJ Presidential Library .....	3,760,000
Alaska Regional Archives and Records Center .....	2,500,000
JFK Presidential Library .....	6,410,000
Total .....	18,790,000

The Committee has prioritized funding under this account to projects that have already begun construction. The most notable project is the Lyndon Baines Johnson [LBJ] Presidential Library project that is currently undergoing construction but currently needs \$3,760,000 to complete the project. Accordingly, the Committee has given top priority to the LBJ project by providing \$3,760,000. Further, the Committee recognizes that construction funds have already been provided to the new Alaska regional archives and records center. This project has completed its planning and design and site selection phases and is prepared for construction. Therefore, the Committee also has made this a priority and appropriated \$2,500,000 for this project. Last, since the JFK Presidential Library will complete the design phase by the end of fiscal year 2006, the Committee also directs NARA to provide \$6,410,000 to the JFK Presidential Library.

#### NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

##### GRANTS PROGRAM

Appropriations, 2006 .....	\$7,425,000
Budget estimate, 2007 .....	
House allowance .....	7,500,000
Committee recommendation .....	5,000,000

##### PROGRAM DESCRIPTION

The National Historical Publications and Records Commission [NHPRC] provides grants nationwide to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, NHPRC helps State, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$5,000,000 for the National Historical Publications and Records Commission [NHPRC]. This amount

is \$2,425,000 below the fiscal year 2006 enacted level and \$5,000,000 above the budget request.

The Committee strongly supports the NHPRC program and has provided funding to continue this important program. This program has played a central role in the preservation and dissemination of the Nation's documentary heritage. Further, the program has been successful in leveraging private sector contributions.

#### ADMINISTRATIVE PROVISION

The Committee has included a new provision requiring NARA to develop a comprehensive capital needs assessment [CNA] for its entire infrastructure of Presidential libraries and records facilities. The provision requires NARA to submit the CNA as part of its fiscal year 2008 budget submission. The Committee strongly believes that a rationale approach through a CNA is needed for NARA due to the uneven funding priorities submitted by the administration. The Committee believes that NARA can benefit from this approach, which has been used by other Federal agencies such as the Department of Veterans Affairs and the National Science Foundation.

#### NATIONAL CREDIT UNION ADMINISTRATION

##### CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 2006 .....	(\$1,500,000,000)	(\$323,000)
Budget estimate, 2007 .....	(1,500,000,000)	(331,000)
House allowance .....	(1,500,000,000)	(331,000)
Committee recommendation .....	(1,500,000,000)	(331,000)

#### PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95-630). The CLF is a mixed-ownership Government corporation managed by the National Credit Union Administration Board and owned by its member credit unions.

The purpose of the CLF is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for CLF services, credit unions invest in the capital stock of the CLF, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the CLF are stock subscriptions from credit unions and borrowings.

The CLF may borrow funds from any source, with the amount of borrowing limited to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to ac-

commodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

#### COMMITTEE RECOMMENDATION

The Committee recommends the budget request of limiting administrative expenses for the Central Liquidity Fund [CLF] to \$331,000 in fiscal year 2007. The Committee recommends a limitation of \$1,500,000,000 for the principal amount of new direct loans to member credit unions. These amounts are the same as the budget request.

The Committee directs the National Credit Union Administration [NCUA] to continue to provide reports on the lending activities under CLF. This information should be provided to the Committee on a quarterly basis through September 2007.

#### COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2006 .....	\$941,000
Budget estimate, 2007 .....	941,000
House allowance .....	941,000
Committee recommendation .....	941,000

#### PROGRAM DESCRIPTION

The Community Development Revolving Loan Fund Program [CDRLF] was established in 1979 to assist officially designated “low-income” credit unions in providing basic financial services to low-income communities. Low-interest loans and deposits are made available to assist these credit unions. Loans or deposits are normally repaid in 5 years, although shorter repayment periods may be considered. Technical assistance grants [TAGs] are also available to low-income credit unions. Until fiscal year 2001, only earnings generated from the CDRLF were available to fund TAGs. Grants are available for improving operations as well as addressing safety and soundness issues. In fiscal year 2004, NCUA designated funds for specific programs, including taxpayer assistance, financial education, home ownership initiatives, remittance services, individual development accounts [IDAs], and training assistance.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$941,000 for technical assistance grants to community development credit unions. This funding level is equal to the budget request and is the same as the fiscal year 2006 enacted level. The Committee expects the CDRLF to continue making loans from their available funds derived from repaid loans and interest earned on previous loans to designated credit unions.

The Committee supports NCUA’s outreach efforts to underserved rural and urban communities across America through technical assistance grants provided within CDRLF. The Committee encourages NCUA to continue their efforts in providing an alternative to predatory lending services through their targeted technical assistance grants and support.



## NATIONAL TRANSPORTATION SAFETY BOARD

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$75,933,000
Budget estimate, 2007 .....	79,594,000
House allowance .....	81,594,000
Committee recommendation .....	79,594,000

## PROGRAM DESCRIPTION

Initially established along with the Department of Transportation [DOT], the National Transportation Safety Board [NTSB] commenced operations on April 1, 1967, as an independent Federal agency charged by Congress with investigating every civil aviation accident in the United States as well as significant accidents in the other modes of transportation—railroad, highway, marine and pipeline—and issuing safety recommendations aimed at preventing future accidents. Although it has always operated independently, NTSB relied on DOT for funding and administrative support until the Independent Safety Board Act of 1974 (Public Law 93–633) severed all ties between the two organizations starting in 1975.

In addition to its investigatory duties, NTSB is responsible for maintaining the Government's database of civil aviation accidents and also conducts special studies of transportation safety issues of national significance. Furthermore, in accordance with the provisions of international treaties, NTSB supplies investigators to serve as U.S. Accredited Representatives for aviation accidents overseas involving U.S.-registered aircraft, or involving aircraft or major components of U.S. manufacture. NTSB also serves as the “court of appeals” for any airman, mechanic or mariner whenever certificate action is taken by the Federal Aviation Administration [FAA] or the U.S. Coast Guard Commandant, or when civil penalties are assessed by FAA.

## COMMITTEE RECOMMENDATION

The Committee recommends \$79,594,000 for the National Transportation Safety Board, which is the same as the budget request and is \$3,661,000 more than the fiscal year 2006 enacted level.

The Committee notes the NTSB's efforts to return its focus on the agency's core mission of investigating and identifying the probable causes of transportation crashes and incidents. The Committee hopes that the NTSB will continue this trend in order to improve its performance on completing accident investigations and reports in a timely manner. The Committee also notes recent steps the NTSB has taken to manage its resources more effectively, such as targeting its Academy on training the NTSB's own staff and renting out the Academy's building when it is not otherwise being used. The Committee, however, believes that more can be done to ensure that revenue generated by the Academy will cover its costs instead of diverting resources from the core mission of the NTSB.

## SALARIES AND EXPENSES

## (RESCISSION)

Rescission, 2006 .....	-\$1,000,000
Budget estimate, 2007 .....	-1,664,000
House allowance .....	-1,664,000
Committee recommendation .....	-1,664,000

The fiscal year 2004 Supplemental Appropriations bill (Public Law 106-246) provided NTSB with emergency expenses associated with its investigation of the Egypt Air Flight 990 and Alaska Air Flight 261 accidents. These funds were used for wreckage location and recovery facilities, technical support, testing, and wreckage mock-up. All of these activities have been completed and an unobligated balance of \$1,664,000 remains. The Committee recommends the requested rescission of this amount.

## NEIGHBORHOOD REINVESTMENT CORPORATION

## PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 2006 .....	\$116,820,000
Budget estimate, 2007 .....	119,790,000
House allowance .....	119,790,000
Committee recommendation .....	119,790,000

## PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, October 31, 1978). Neighborhood Reinvestment Corporation now operates under the trade name "NeighborWorks America." NeighborWorks America helps local communities establish efficient and effective partnerships between residents and representatives of the public and private sectors. These partnership-based organizations are independent, tax-exempt, nonprofit entities and are frequently known as Neighborhood Housing Services [NHS] or mutual housing associations.

Collectively, these organizations are known as the NeighborWorks® network. Nationally, 235 NeighborWorks® organizations serve nearly 3,000 urban, suburban and rural communities in 49 States, the District of Columbia, and Puerto Rico.

## COMMITTEE RECOMMENDATION

The Committee recommends \$119,790,000 for the Neighborhood Reinvestment Corporation for fiscal year 2007. This amount is the same as the budget request and \$2,970,000 above the fiscal year 2006 enacted level.

The Committee has included a set-aside of \$5,000,000 for the multifamily rental housing initiative. This program has been successful in developing innovative approaches to producing mixed-income affordable housing throughout the Nation. The Committee strongly supports this initiative and commends Neighborhood Reinvestment for their efforts in attracting additional private sector investments for this initiative. The Committee directs NRC to pro-

vide a status report on this initiative in its fiscal year 2007 budget justifications.

The Committee continues its support of Neighborhood Reinvestment efforts in building capacity in rural areas. The Committee urges the Corporation to continue its efforts in addressing the needs of rural communities.

#### OFFICE OF GOVERNMENT ETHICS

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$11,037,000
Budget estimate, 2007 .....	11,489,000
House allowance .....	11,489,000
Committee recommendation .....	11,489,000

##### PROGRAM DESCRIPTION

The Office of Government Ethics [OGE], a separate agency within the executive branch, was established by the Ethics of Government Act of 1978. OGE is charged by law to provide overall direction of executive branch policies designed to prevent conflicts of interest and ensure high ethical standards. OGE carries out these responsibilities by developing regulations pertaining to conflicts of interest, postemployment restrictions, standards of conduct, and public and confidential financial disclosure in the executive branch; by monitoring compliance with financial disclosure requirements by recommending appropriate corrective action when necessary; by evaluating the effectiveness of applicable laws; and by preparing advisor opinions and policy of memoranda interpreting requirements regarding conflicts of interest, post employment, standards of conduct, and financial disclosure.

##### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$11,489,000 for salaries and expenses of the Office of Government Ethics in fiscal year 2007. This amount is the same as the President's budget request and \$452,000 above the fiscal year 2006 level.

#### OFFICE OF PERSONNEL MANAGEMENT

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$121,296,000
Budget estimate, 2007 .....	111,095,000
House allowance .....	111,095,000
Committee recommendation .....	111,095,000

##### PROGRAM DESCRIPTION

The Office of Personnel Management [OPM] was established by Public Law 95-454, the Civil Service Reform Act of 1978, enacted on October 13, 1978. In that act, the Office of Personnel Management was established in section 1101 of title 5, United States Code. Subsequent sections of chapter 11 provide for the principal officials of the agency and the functions of the Director, which are really the functions of the Agency, as well as providing for the delegation of authority for personnel management from the President and, subsequently, by the Director.

OPM is the Federal Government agency responsible for management of Federal human resources policy and oversight of the merit civil service system. Although individual agencies are increasingly responsible for personnel operations, OPM provides a Government-wide policy framework for personnel matters, advises and assists agencies (often on a reimbursable basis), and ensures that agency operations are consistent with requirements of law on issues such as veterans preference. OPM oversees examining of applicants for employment, issues regulations and policies on hiring, classification and pay, training, investigations, other aspects of personnel management, and operates a reimbursable training program for the Federal Government's managers and executives. OPM is also responsible for administering the retirement, health benefits and life insurance programs affecting most Federal employees, retired Federal employees, and their survivors.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$111,095,000 for the salaries and expenses of the Office of Personnel Management, which is the same as the budget request and \$10,201,000 less than the fiscal year 2006 level. Of the amount provided no more than \$8,349,000 is to be used for e-Government projects. This amount is the same as the President's request.

The Committee is very concerned with the practices of the Office of Personnel Management regarding its approach to human resources products and services. Federal agencies need to have the flexibility to contract as they see fit, including contracting with private companies to provide online employment applications and processing services, as well as choice in selecting service providers and human resource systems. While the Committee understands the need for human resource standards in public and private contracts, the Committee expects OPM to allow Federal agencies to have choices in such decisions. The Committee directs OPM to report to the Committee within 120 days of enactment of this act on their human resources products and services, including actions taken in response to these concerns.

*Child Care.*—OPM and GSA, with technical assistance from GAO, are conducting a survey of the child care needs of executive, legislative and judicial branch employees. Within 45 days of the completion and reporting of this survey, GAO should provide relevant recommendations for further action to the Committee. The Committee directs OPM to report on progress made in implementing any recommendations within 6 months after the release of the report mentioned above. OPM should include further measures that may be taken to address Federal child care needs.

The Committee directs OPM to continue its efforts to provide information and education to agencies and employees on promotion of the subsidy for child care expenses for lower income employees.

*Retirement Systems Modernization.*—The Committee supports the Retirement Systems Modernization project [RSM], an effort initiated in 1997 to automate and streamline the manual paper-intensive business processes used to administer the Federal employee retirement program. Within 10 years, 60 percent of the Federal workforce is eligible for retirement, thus it is crucial that an effi-

cient and effective system be in place for current and future retirees. Knowing the pitfalls that have occurred in other IT projects, the Committee is pleased with the personal attention and commitment of the Director to the success of this project. The Committee recognizes that the RSM has benefited from the involvement and expertise of the Government Accountability Office, as have other IT projects. The Committee continues to be concerned about difficulties OPM has encountered in this modernization effort in the past, and requests that GAO comprehensively review the progress, costs, and risks of the program. The Committee notes the importance of the recommendations made by GAO and urges the Director to continue to give them careful consideration and to maintain close consultation with GAO in the future.

#### LIMITATION

##### (TRANSFER OF TRUST FUNDS)

Limitation, 2006 .....	\$99,017,000
Budget estimate, 2007 .....	126,908,000
House allowance .....	100,178,000
Committee recommendation .....	126,908,000

#### PROGRAM DESCRIPTION

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs, including the cost of automating the retirement recording systems.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$126,908,000 which is \$28,161,000 more than the fiscal year 2006 level. This amount is the same as the President's request and includes requested funds for the cost of automating the retirement recordkeeping systems.

#### OFFICE OF INSPECTOR GENERAL

##### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$2,050,000
Budget estimate, 2007 .....	1,598,000
House allowance .....	1,598,000
Committee recommendation .....	1,598,000

#### PROGRAM DESCRIPTION

The Office of Inspector General is charged with establishing policies for conducting and coordinating efforts which promote economy, efficiency, and integrity in the Office of Personnel Management's activities which prevent and detect fraud, waste, and mismanagement in the agency's programs. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers,

health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,598,000 for salaries and expenses of the Office of Inspector General in fiscal year 2007. This amount is the same as the President's request and \$452,000 less than the fiscal year 2006 enacted level.

#### (LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2006 .....	\$16,166,000
Budget estimate, 2007 .....	16,166,000
House allowance .....	16,166,000
Committee recommendation .....	16,166,000

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling \$16,166,000 for fiscal year 2007. This amount is \$452,000 more than the fiscal year 2006 enacted level, and the same as the President's request.

#### GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriations, 2006 .....	\$8,393,000,000
Budget estimate, 2007 .....	8,780,260,000
House allowance .....	8,780,260,000
Committee recommendation .....	8,780,260,000

#### PROGRAM DESCRIPTION

This appropriation covers the Government's share of the cost of health insurance for annuitants covered by the Federal Employees Health Benefits Program and the Retired Federal Employees Health Benefits Act of 1960, as well as administrative expenses incurred by OPM for these programs.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$8,780,260,000 for Government payments for annuitants, employees health benefits.

#### GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

Appropriations, 2006 .....	\$36,000,000
Budget estimate, 2007 .....	39,000,000
House allowance .....	39,000,000
Committee recommendation .....	39,000,000

## PROGRAM DESCRIPTION

Public Law 96–427, the Federal Employees’ Group Life Insurance Act of 1980 requires that all employees under the age of 65 who separate from the Federal Government for purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage after retirement until they reach the age of 65. These retirees will contribute two-thirds of the cost of the basic life insurance premium, identical to the amount contributed by active Federal employees for basic life insurance coverage. As with the active Federal employees, the Government is required to contribute one-third of the cost of the premium for basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, has requested, and the Committee has provided, the funding necessary to make the required Government contribution associated with annuitants’ postretirement life insurance coverage.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$39,000,000 for the Government payment for annuitants, employee life insurance. This amount equals the budget request.

## PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 2006 .....	\$10,072,000,000
Budget estimate, 2007 .....	10,532,000,000
House allowance .....	10,532,000,000
Committee recommendation .....	10,532,000,000

## PROGRAM DESCRIPTION

The civil service retirement and disability fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. The fund covers the operation of the Civil Service Retirement System and the Federal Employees’ Retirement System.

This appropriation provides for the Government’s share of retirement costs, transfers of interest on the unfunded liability and annuity disbursements attributable to military service, and survivor annuities to eligible former spouses of some annuitants who did not elect survivor coverage.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$10,532,000,000 for payment to the civil service retirement and disability fund. The Committee recommendation equals the budget estimate.

## OFFICE OF SPECIAL COUNSEL

## SALARIES AND EXPENSES

Appropriations, 2006 .....	\$15,172,000
Budget estimate, 2007 .....	15,937,000
House allowance .....	15,937,000
Committee recommendation .....	16,000,000

## PROGRAM DESCRIPTION

The U.S. Office of Special Counsel [OSC] was first established on January 1, 1979. From 1979 until 1989, it operated as an autonomous investigative and prosecutorial arm of the Merit Systems Protection Board (the Board). In 1989, Congress enacted the Whistleblower Protection Act, which made OSC an independent agency within the Executive Branch. In 1994, the Uniformed Services Employment and Reemployment Rights Act became law. It defined employment-related rights of persons in connection with military service, prohibited discrimination against them because of that service, and gave OSC new authority to pursue remedies for violations by Federal agencies.

OSC investigates Federal employee allegations of prohibited personnel practices and, when appropriate, prosecutes cases before the Merit Systems Protection Board and enforces the Hatch Act. OSC also provides a channel for whistleblowing by Federal employees, and may transmit whistleblowing allegations to the agency head concerned and require an agency investigation and a report to Congress and the President when appropriate.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$16,000,000 for the Office of Special Counsel. This amount is \$63,000 above President's budget request and is \$828,000 above the fiscal year 2006 enacted level.

In the past, the Committee has been disappointed with the level of communication from OSC. The Committee is encouraged, however, by the recent level of communication and responsiveness from OSC. The Committee directs the Office of Special Counsel to submit its fiscal year 2008 budget justification on the first Monday in February, concurrent with the official submission of the President's budget to Congress. The justification should include highly detailed data and explanatory statements to support the appropriations requests, including tables that detail OSC's programs, activities and staffing levels for fiscal years 2007 and 2008. The Committee expects that OSC will coordinate with the Committee on Appropriations well in advance on its planned budget submission in support of the fiscal year 2008 budget request.

The Committee reiterates the recommendation that the Government Accountability Office [GAO] made in its March 2004 report (GAO-04-36) and directs that OSC submit to Congress a comprehensive strategy addressing capital needs and case processing in order to prevent any future backlog of cases when submitting their fiscal year 2008 budget request. The Committee directs OSC to provide quarterly staffing reports from the Special Counsel to Congress.

While the Committee has not included the breakdown of OSC funds by field office as contained in the fiscal year 2007 budget justification, the Committee expects OSC to adhere to this structure. The Committee further directs OSC to communicate with the Committee 45 days in advance of any organizational change, if such a change would cause the geographic staffing numbers to vary above or below the following levels; Office of Special Counsel head-



quarters: 70 to 75 FTEs, the Detroit office: 6 to 8 FTEs, the Dallas office: 9 to 11 FTEs, the Bay Area office: 8 to 10 FTEs, and the District of Columbia field office: 9 to 12 FTEs. Thus the total number of FTEs for the Office of Special Counsel should not be below 102 or above 116.

## SELECTIVE SERVICE SYSTEM

### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$24,750,000
Budget estimate, 2007 .....	24,225,000
House allowance .....	24,255,000
Committee recommendation .....	24,255,000

### PROGRAM DESCRIPTION

The Selective Service System [SSS] was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which personnel will be brought into the military if Congress and the President should authorize a return to the draft.

In December 1987, Selective Service was tasked by law (Public Law 100-180, sec. 715) to develop plans for a postmobilization-health-care-personnel-delivery system capable of providing the necessary critically skilled health-care personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, et cetera. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for health care personnel, continues using very limited existing resources.

### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$24,255,000 for the Selective Service System. This amount is the same as the budget request and \$495,000 below the fiscal year 2006 enacted level. The Committee also prohibits the use of any funds to support the Corporation for National and Community Service.

## UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

### OPERATING EXPENSES

Appropriations, 2006 .....	\$1,782,000
Budget estimate, 2007 .....	2,000,000
House allowance .....	2,000,000
Committee recommendation .....	2,000,000

### PROGRAM DESCRIPTION

The United States Interagency Council on Homelessness is an independent agency created by the McKinney-Vento Homeless As-

sistance Act of 1987 to coordinate and direct the multiple efforts of Federal agencies and other designated groups. The Council was authorized to review Federal programs that assist homeless persons and to take necessary actions to reduce duplication. The Council can recommend improvements in programs and activities conducted by Federal, State and local government as well as local volunteer organizations. The Council consists of the heads of 18 Federal agencies such as the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Agriculture, Commerce, Defense, Education, Labor, and Transportation; and other entities as deemed appropriate.

#### COMMITTEE RECOMMENDATION

The Committee recommends \$2,000,000 for the United States Interagency Council on Homelessness [ICH], the same level as the budget request and \$218,000 more than the fiscal year 2006 enacted level. These funds are for carrying out the functions authorized under section 203 of the McKinney-Vento Homeless Assistance Act. Bill language is included that extends the reauthorization for the ICH until October 1, 2007.

The Committee continues to support strongly the mission of ICH and its efforts in ending homelessness. The Committee continues to believe that a comprehensive and coordinated strategy must be made by the Federal, State, and local governments to end and prevent homelessness in this Nation. ICH has been successful working with State and local officials in developing 10-year plans to end homelessness, however, it is unclear whether all Federal agencies are fully participating in this effort. Accordingly, the Committee directs the ICH to submit a report to the House and Senate Committees on Appropriations on the efforts of every Federal agency member of the ICH in ending and preventing homelessness. This report should be submitted by no later than 90 days after the date of enactment of this act.

The Committee commends the Council's efforts in engaging communities on the issue of homelessness. These efforts have led to the establishment of 10-year plans to end homelessness throughout the Nation. While the Committee understands that engaging local and State communities are a critical part of ending homelessness, coordination and commitment among the relevant Federal agencies must be made. As required under the McKinney-Vento Homelessness Act, the ICH convenes workshops on various aspects of homelessness. One of those areas of interest to the Committee is homelessness among children, youth, and families. Accordingly, the Committee directs the ICH to convene one of its workshops on this issue. This workshop should include representatives from those Federal agencies and programs serving homeless children, youth, and families. The workshop should focus on: (1) identifying how such agencies and programs may improve coordination; (2) developing promising practices in service delivery, program development, and leveraging resources in urban, suburban, and rural areas; and (3) collecting information on the nature, extent, and impact of homelessness on children, youth, and families, and the Federal efforts to serve and meet their needs. The Council is further directed to report to the Committee on a quarterly basis on steps

being taken by the agencies and the Council as a result of the workshop.

## UNITED STATES POSTAL SERVICE

### PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2006 .....	\$115,917,000
Budget estimate, 2007 .....	79,915,000
House allowance .....	108,915,000
Committee recommendation .....	108,915,000

### PROGRAM DESCRIPTION

The Post Office dates back to 1775. It became the Postal Service in 1971 as an independent establishment of the executive branch of the United States Government. The Postal Service basic function and obligation is to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable and efficient services to patrons in all areas and shall render postal services to all communities.

### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$108,915,000 in fiscal year 2007 funding and advanced appropriations for payments to the Postal Service Fund. The increase of \$29,000,000 above the President's request is to provide funds for overseas voting for prior years' liability under the Revenue Forgone Reform Act of 1993.

This amount includes: \$60,725,000 requested for free mail for the blind and overseas voting; \$19,190,000 as a reconciliation adjustment for 2004 actual mail volume of free mail for the blind and overseas voting; and \$29,000,000 for prior years' liability under the Revenue Forgone Reform Act of 1993. In addition to these funds, \$73,000,000 (an advance appropriation from 2005 for the 2005 costs and the 2002 reconciliation adjustment for free mail for the blind and overseas voting) will become available to the U.S. Postal Service in fiscal year 2006.

Revenue forgone on free and reduced-rate mail enables postage rates to be set at levels below the unsubsidized rates for certain categories of mail as authorized by subsections (c) and (d) of section 2401 of title 39, United States Code. Free mail for the blind and overseas voters will continue to be provided at the funding level recommended by the Committee.

The Committee includes provisions in the bill that would assure that mail for overseas voting and mail for the blind shall continue to be free; that 6-day delivery and rural delivery of mail shall continue without reduction; and that none of the funds provided be used to consolidate or close small rural and other small post offices in fiscal year 2007. These are services that must be maintained in fiscal year 2007 and beyond.

The Committee believes that 6-day mail delivery is one of the most important services provided by the Federal Government to its citizens. Especially in rural and small town America, this critical postal service is the linchpin that serves to bind the Nation together.

*Emergency Preparedness.*—The Committee remains interested and concerned about the progress of the Postal Service’s biohazardous detection system, particularly the ability to detect more than one agent. The Postal Service shall continue to update the Committee on the progress of this effort as well as the effort to construct the Washington, DC mail irradiation facility.

*Consolidation of Mail Processing Facilities.*—The Postal Service is developing and implementing a major realignment of its postal facilities and streamlining its transportation networks to achieve greater efficiencies, reduce redundancies, and achieve cost savings. To date, the Service has announced that it is studying the feasibility of consolidating about 50 of its over 400 mail processing facilities. The Service expects to continue its consolidation feasibility study and review processes through 2007 and beyond. Many questions remain about how the Service plans to realign its postal networks and workforce. These include how many facilities will be needed, which facilities will be closed, and what roles various facilities will serve. Additionally, it is uncertain how the postal workforce, mailers, and communities will be impacted by the Service’s realignment decisions. Finally, it is unknown how long it will take to complete the realignment. These questions should be answered prior to the continuation of these efforts.

In April 2005, GAO issued a report entitled, U.S. Postal Service: The Service’s Strategy for Realigning Its Mail Processing Infrastructure Lacks Clarity, Criteria, and Accountability (GAO-05-261). The report concluded that the Service’s realignment strategy lacked sufficient transparency and accountability as well as criteria to ensure that the decisions made are clear, consistent, and fair. The decisions also excluded stakeholder input and lacked performance measures to evaluate the results and provide accountability for realignment decisions. GAO’s report recommended that the Service take actions to address these deficiencies by establishing a set of criteria to be used for making realignment decisions, developing a mechanism for communicating with stakeholders regarding realignment proposals and decisions. The report further suggested the development of a process for measuring and evaluating the results in areas such as cost savings, achieved efficiency, and impact on postal services. GAO has received several congressional requests to follow up on its recommendations, determining what progress the Service has made. A review in this area has recently been initiated.

The Committee directs that consolidation decisions pertaining to Sioux City, Iowa, Aberdeen, South Dakota, and Yakima, Washington, will not be implemented until the Postal Service receives the GAO’s follow-up report to its April 2005 study, which is underway. The Postal Service shall establish detailed criteria for the decisionmaking process prior to the implementation of any contested consolidations. The Postal Service shall keep the Committee informed of its consolidation plans and further directs GAO to continue the monitoring these efforts.

*Forever Stamp.*—The Committee commends the Postal Service on its plan to create a “Forever Stamp,” which would remain valid for letter postage even after future rate changes. This innovation would make postal rate changes far easier for household mailers,

who are the main users of adhesive postage stamps. Consumers would avoid both the inconvenience of obsolete, leftover stamps and the need for last-minute trips to the post office to buy makeup stamps. The Committee commends the Postal Service for its efforts to develop innovative proposals such as the “Forever Stamp,” and trusts that the Postal Service will continue to find new ways to make the mail a more attractive and user-friendly communications medium for the American household.

## UNITED STATES TAX COURT

### SALARIES AND EXPENSES

Appropriations, 2006 .....	\$47,518,000
Budget estimate, 2007 .....	47,110,000
House allowance .....	47,110,000
Committee recommendation .....	47,110,000

### PROGRAM DESCRIPTION

The U.S. Tax Court is an independent judicial body in the legislative branch established under article I of the Constitution of the United States. The court is composed of a chief judge and 18 judges. Decisions by the court are reviewable by the U.S. Courts of Appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties the judges are assisted by senior judges, who participate in the adjudication of regular cases, and by special trial judges, who hear small tax cases and certain regular cases assigned to them by the chief judge.

The court conducts trial sessions throughout the United States, including Hawaii and Alaska. The matters over which the Court has jurisdiction are set forth in various sections of title 26 of the United States Code.

### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$47,110,000 for the U.S. Tax Court.

### STATEMENT CONCERNING GENERAL PROVISIONS

The Transportation, Treasury, the Judiciary, Housing and Urban Development, and Related Agencies appropriation bill includes general provisions which govern both the activities of the agencies covered by the bill, and, in some cases, activities of agencies, programs, and general government activities that are not covered by the bill. General provisions that are governmentwide in scope are contained in title VIII of this bill.

The bill contains a number of general provisions that have been carried in this bill for years and which are routine in nature and scope. General provisions in the bill are explained under this section of the report. Those general provisions that deal with a single agency only are shown immediately following that particular agency's or department's appropriation accounts in the bill. Those provisions that address activities or directives affecting all of the agencies covered in this bill are contained in title VII.

## TITLE VII

### GENERAL PROVISIONS THIS ACT

Section 701 requires pay raises to be absorbed within appropriated levels in this act or previous appropriations acts.

Section 702 prohibits pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this act.

Section 703 prohibits obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 704 limits expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 705 prohibits funds in this act to be transferred without express authority.

Section 706 prohibits the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act (46 Stat. 590).

Section 707 protects employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 708 prohibits the use of funds in compliance with the Buy American Act.

Section 709 prohibits funding for any person or entity convicted of violating the Buy American Act.

Section 710 authorizes the reprogramming of funds and specifies the reprogramming procedures for agencies funded by this act.

Section 711 ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 712 restricts the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

Section 713 ensures that the cost accounting standard shall not apply with respect to a contract under the Federal Employees Health Benefits Program.

Section 714 references non-foreign area cost of living allowances.

Section 715 waives restrictions on the purchase of non-domestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 716 prohibits the use of funds for a proposed rule related to the determination that real estate brokerage activities are financial activities.

Section 717 requires departments and agencies under this act to disclose information regarding all sole source contracts.

Section 718 continues the provision prohibiting the use of funds for eminent domain unless such taking is employed for public use

but does not repeat the requirement for a study by the Government Accountability Office.

Section 719 provides flexibility to the Inspector Generals who are required to conduct an independent, third-party review of each agency's implementation of section 522 and allows the Inspector Generals to conduct the review either in-house or by contract.

## TITLE VIII

### GENERAL PROVISIONS GOVERNMENT-WIDE, DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 801 authorizes agencies to pay travel costs of the families of Federal employees on foreign duty to return to the United States in the event of death or a life threatening illness of an employee.

Section 802 requires agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 803 continues the provision regarding price limitations on vehicles purchased by the Federal Government.

Section 804 allows funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 805 prohibits the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental United States.

Section 806 ensures that agencies will have authority to pay the General Services Administration bills for space renovation and other services.

Section 807 allows agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 808 provides that funds may be used to pay rent and other service costs in the District of Columbia.

Section 809 prohibits the use of appropriated funds to pay the salary of any nominee after the Senate voted not to approve the nomination.

Section 810 precludes interagency financing of groups absent prior statutory approval.

Section 811 authorizes the Postal Service to employ guards.

Section 812 prohibits the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 813 limits the pay increases of certain prevailing rate employees.

Section 814 limits the amount that can be used for redecoration of offices under certain circumstances.

Section 815 permits interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

Section 816 requires agencies to certify that a schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 817 requires agencies to administer a policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment.



Section 818 prohibits the use of funds to prevent Federal employees from communicating with Congress or to take disciplinary or personnel actions against employees for such communication.

Section 819 prohibits training not directly related to the performance of official duties.

Section 820 prohibits the expenditure of funds for the implementation of agreements in certain nondisclosure policies unless certain provisions are included in the policies.

Section 821 prohibits use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 822 prohibits use of appropriated funds by an agency to provide Federal employees home address to labor organizations.

Section 823 prohibits the use of appropriated funds to provide nonpublic information such as mailing or telephone lists to any person or organization outside of the Government.

Section 824 prohibits the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 825 directs agencies employees to use official time in an honest effort to perform official duties.

Section 826 authorizes the use of current fiscal year funds to finance an appropriate share of the Federal Accounting Standards Advisory Board.

Section 827 authorizes agencies to transfer funds to or reimburse the Government-wide Policy account of GSA to finance an appropriate share of various government-wide boards and councils.

Section 828 authorizes breastfeeding at any location in a Federal building or on Federal property.

Section 829 permits interagency funding of the National Science and Technology Council.

Section 830 requires identification of the Federal agencies providing Federal funds and the amount provided for all proposals, solicitations, grant applications, forms, notifications, press releases, or other publications related to the distribution of funding to a State.

Section 831 continues a provision which extends the authorization for franchise fund pilots for 1 year with modification.

Section 832 continues a provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites.

Section 833 continues a provision regarding contraceptive coverage under the Federal Employees Health Benefits Plan.

Section 834 recognizes the U.S. Anti-Doping Agency as the official anti-doping agency for Olympic, Pan American, and Paralympic sports in the United States.

Section 835 allows departments and agencies to participate in the fractional aircraft ownership pilot programs.

Section 836 places certain limitations on the Coast Guard Congressional Fellowship program.

Section 837 prohibits the expenditure of funds for the acquisition of certain additional Federal Law Enforcement Training facilities.

Section 838 provides funding for the Midway Atoll Airfield.

Section 839 concerns the use of funds for the “e-Gov” initiative that were not appropriated specifically for that purpose.

Section 840 establishes a set of outsourcing contracting requirements that provide an even playing field for the private and public sector.

Section 841 provides for a 2.7 percent increase in the basic pay of Federal civilian employees.

Section 842 provides requirements for prepackaged news stories that are prepared or funded by that executive branch agency.

Section 843 continues the provision prohibiting funds used in contravention of section 552a of title 5, United States Code or section 522.224 of title 48 of the Code of Federal Regulations.

Section 844 requires each Department and Agency to evaluate the creditworthiness of an individual before issuing the individual a government purchase charge card or travel card.

Section 845 requires Federal agencies to report to Congress on the amount of acquisitions they make from entities that manufacture articles, materials, or supplies outside of the United States in that fiscal year.

Section 846 prohibits the use of funds to enforce a provision of the Cuban Assets Control Regulations that impedes sales to Cuba.

## TITLE IX

### AIR TRANSPORTATION TO AND FROM LOVE FIELD

Section 901. This section provides modifications to allow air carriers to offer for sale and provide through service and ticketing to or from Love Field, Texas through any point within Texas, New Mexico, Oklahoma, Kansas, Arkansas, Louisiana, Mississippi, Missouri, and Alabama.

Section 902. This section prohibits air transportation between Love Field and any point or points outside the United States on a non-stop basis.

Section 903. This section limits the use of charter flights, among other things, to within the 50 States.

Section 904. This section sets a number of requirements for any changes to this legislation.

Section 905. This section provides initial jurisdiction to the District Court of the United States for the Northern District of Texas for any claims arising under this title.

Section 906. This section limits the provisions of this title to actions taken at Love Field, Texas with the FAA provided authority to determine within 30 days as to whether this agreement can be accommodated in compliance with FAA safety standards.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE  
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

The Committee recommends the following appropriations which lack authorization:

DEPARTMENT OF TRANSPORTATION

Office of the Secretary of Transportation: Payments to air carriers

Federal Railroad Administration:

Safety and operations

Alaska railroad rehabilitation

Grants to the National Railroad Passenger Corporation

Surface Transportation Board

DEPARTMENT OF THE TREASURY

Departmental Offices:

Salaries and expenses

Department-wide Systems and Capital Investments Program

Air Transportation Stabilization Program

Treasury Building and annex, repair and restoration

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rural Housing and Economic Development

EXECUTIVE OFFICE OF THE PRESIDENT

The White House Office, salaries and expenses

Executive Residence at the White House, operating expenses

Special Assistance to the President, salaries and expenses

Council of Economic Advisers

National Security Council

Office of Administration

Office of Management and Budget

Office of National Drug Control Policy:

Salaries and expenses

Counterdrug Technology Assessment Center

High-intensity drug trafficking areas

Other Federal Drug Control (except Drug-Free Communities)

INDEPENDENT AGENCIES

General Services Administration:

Federal buildings fund  
Repairs and Alterations Construction and Acquisition of Facilities  
National Transportation Safety Board  
Office of Government Ethics, salaries and expenses  
Office of Personnel Management, Human Capital Performance Fund

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE  
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 20, 2006, the Committee ordered reported, en bloc: H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes, with an amendment in the nature of a substitute; S. 3708, an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2007, and for other purposes; H.R. 5576, making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2007, and for other purposes, with an amendment in the nature of a substitute; and H.R. 5385, making appropriations for Military Construction and Veterans Affairs, and related agencies for the fiscal year ending September 30, 2007, and for other purposes, with an amendment in the nature of a substitute and an amendment to the title; with each bill subject to further amendment and each subject to the budget allocation, by a recorded vote of 28–0, a quorum being present. The vote was as follows:

Yeas

Nays

Chairman Cochran  
Mr. Stevens  
Mr. Specter  
Mr. Domenici  
Mr. Bond  
Mr. McConnell  
Mr. Burns  
Mr. Shelby  
Mr. Gregg  
Mr. Bennett  
Mr. Craig  
Mrs. Hutchison  
Mr. DeWine  
Mr. Brownback  
Mr. Allard  
Mr. Byrd  
Mr. Inouye  
Mr. Leahy  
Mr. Harkin  
Ms. Mikulski  
Mr. Reid  
Mr. Kohl  
Mrs. Murray

Mr. Dorgan  
 Mrs. Feinstein  
 Mr. Durbin  
 Mr. Johnson  
 Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

**TITLE 40—PUBLIC BUILDINGS, PROPERTY, AND WORKS**

\* \* \* \* \*

**SUBTITLE II—PUBLIC BUILDINGS AND WORKS**

**PART A—GENERAL**

\* \* \* \* \*

**CHAPTER 33—ACQUISITION, CONSTRUCTION, AND  
 ALTERATION**

\* \* \* \* \*

**§ 3313. Delegation**

(a) **WHEN ALLOWED.**—Except for the authority contained in section 3305(b) of this title, the carrying out of the duties and powers of the Administrator of General Services under this chapter, in accordance with standards the Administrator prescribes—

(1) shall be delegated on request to the appropriate [executive] *federal* agency when the estimated cost of the project does not exceed \$100,000; and

(2) may be delegated to the appropriate [executive] *federal* agency when the Administrator determines that delegation will promote efficiency and economy.

\* \* \* \* \*

**TITLE 42—THE PUBLIC HEALTH AND WELFARE**

\* \* \* \* \*

## CHAPTER 8—LOW-INCOME HOUSING

\* \* \* \* \*

### SUBCHAPTER I—GENERAL PROGRAM OF ASSISTED HOUSING

\* \* \* \* \*

#### § 1437f. Low-income housing assistance

(a) \* \* \*

\* \* \* \* \*

(o) **Voucher program**

\* \* \* \* \*

(13) **PHA project-based assistance**

(A) **In general**

\* \* \* \* \*

(H) **Rent calculation**

A housing assistance payment contract pursuant to this paragraph shall establish rents for each unit assisted in an amount that does not exceed 110 percent of the applicable fair market rental (or any exception payment standard approved by the Secretary pursuant to paragraph (1)(D)), except that if a contract covers a dwelling unit that has been allocated low-income housing tax credits pursuant to section 42 of title 26 and is not located in a qualified census tract (as such term is defined in subsection (d) of such section 42), the rent for such unit may be established at any level that does not exceed the rent charged for comparable units in the building that also receive the low-income housing tax credit but do not have additional rental assistance, *except that in the case of a contract unit that has been allocated low-income housing tax credits and for which the rent limitation pursuant to such section 42 is less than the amount that would otherwise be permitted under this subparagraph, the rent for such unit may, in the sole discretion of a public housing agency, be established at the higher section 8 rent, subject only to paragraph (10)(A).* The rents established by housing assistance payment contracts pursuant to this paragraph may vary from the payment standards established by the public housing agency pursuant to paragraph (1)(B), but shall be subject to paragraph (10)(A).

(I) **Rent adjustments**

A housing assistance payments contract pursuant to this paragraph shall provide for rent adjustments, except that—

(i) the adjusted rent for any unit assisted shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market and may not exceed the maximum rent permitted under subparagraph (H), *except that the con-*

*tract may provide that the maximum rent permitted for a dwelling unit shall not be less than the initial rent for the dwelling unit under the initial housing assistance payments contract covering the unit; and*

\* \* \* \* \*

## **TITLE 49, UNITED STATES CODE**

\* \* \* \* \*

## **SUBTITLE IV—INTERSTATE TRANSPORTATION**

\* \* \* \* \*

### **PART B—MOTOR CARRIERS, WATER CARRIERS, BROKERS, AND FREIGHT**

\* \* \* \* \*

#### **CHAPTER 131—GENERAL PROVISIONS**

#### **§ 13102. Definitions**

In this part, the following definitions shall apply:

(1) \* \* \*

\* \* \* \* \*

(6) FOREIGN MOTOR CARRIER.—The term “foreign motor carrier” means a person (including a motor carrier of property but excluding a motor private carrier)—

(A)(i) that is domiciled in a contiguous foreign country;

or

(ii) that is owned or controlled by persons of a contiguous foreign country; and

(B) in the case of a person that is not a motor carrier of property, that provides interstate transportation of property by **commercial motor vehicle** (as defined in section 31132) *motor vehicle* under an agreement or contract entered into with a motor carrier of property (other than a motor private carrier or a motor carrier of property described in subparagraph (A)).

(7) FOREIGN MOTOR PRIVATE CARRIER.—The term “foreign motor private carrier” means a person (including a motor private carrier but excluding a motor carrier of property)—

(A)(i) that is domiciled in a contiguous foreign country;

or

(ii) that is owned or controlled by persons of a contiguous foreign country; and

(B) in the case of a person that is not a motor private carrier, that provides interstate transportation of property by **commercial motor vehicle** (as defined in section 31132) *motor vehicle* under an agreement or contract entered into with a person (other than a motor carrier of



property or a motor private carrier described in subparagraph (A)).

\* \* \* \* \*

(14) MOTOR CARRIER.—The term “motor carrier” means a person providing **commercial motor vehicle** (as defined in section 31132) *motor vehicle* transportation for compensation.

(15) MOTOR PRIVATE CARRIER.—The term “motor private carrier” means a person, other than a motor carrier, transporting property by **commercial motor vehicle** (as defined in section 31132) *motor vehicle* when—

\* \* \* \* \*

## CHAPTER 139—REGISTRATION

\* \* \* \* \*

### § 13903. Registration of freight forwarders

**[(a) IN GENERAL.—]**

*(a) IN GENERAL.—The Secretary shall register a person to provide service subject to jurisdiction under subchapter III of chapter 135 as a freight forwarder if the Secretary finds that the person is fit, willing, and able to provide the service and to comply with this part and applicable regulations of the Secretary and the Board.*

\* \* \* \* \*

### § 13904. Registration of brokers

**[(a) IN GENERAL.—]**

*(a) IN GENERAL.—The Secretary shall register, subject to section 13906(b), a person to be a broker for transportation of property subject to jurisdiction under subchapter I of chapter 135, if the Secretary finds that the person is fit, willing, and able to be a broker for transportation and to comply with this part and applicable regulations of the Secretary.*

\* \* \* \* \*

## CHAPTER 147—ENFORCEMENT; INVESTIGATIONS; RIGHTS; REMEDIES

### § 14710. Enforcement of Federal laws and regulations with respect to transportation of household goods

(a) ENFORCEMENT BY STATES.—Notwithstanding any other provision of this title, **[a State authority may]** *a State authority other than the attorney general of the state may, as parens patriae,* enforce the consumer protection provisions of this title that apply to individual shippers, as determined by the Secretary, and are related to the delivery and transportation of household goods in interstate commerce. *Any civil action for injunctive relief to enjoin such delivery or transportation or to compel a person to pay a fine or penalty assessed under chapter 149 shall be brought in an appropriate district court of the United States.* Any fine or penalty imposed on a carrier in a proceeding under this subsection shall be paid, notwithstanding any other provision of law, to and retained by the State.

【NOTICE.—The State shall serve written notice to the Secretary or the Board, as the case may be, of any civil action under subsection (a) prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide the notice immediately upon instituting such civil action.】

(b) *EXERCISE OF ENFORCEMENT AUTHORITY.—The authority of this section shall be exercised subject to the requirements of sections 14711(b)–(f) of this title.*

\* \* \* \* \*

#### **§ 14711. Enforcement by State attorneys general**

(a) \* \* \*

(b) NOTICE AND CONSENT.—

(1) IN GENERAL.—The State shall serve written notice to the Secretary or the Board, as the case may be, of any civil action under subsection (a) prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action. *The State may initiate a civil action under subsection (a) if it is reviewable under subsection (b)(2).*

\* \* \* \* \*

(4) 60-DAY DEADLINE.—The Secretary or the Board shall be considered to have consented to any civil action of a State under this section *that is subject to review under subsection (b)(2)* if the Secretary or the Board has taken no action with respect to the notice within 60 calendar days after the date on which the Secretary or the Board received notice under paragraph (1).

\* \* \* \* \*

### **SUBTITLE VI—MOTOR VEHICLE AND DRIVER PROGRAMS**

\* \* \* \* \*

#### **PART B—COMMERCIAL**

\* \* \* \* \*

### **CHAPTER 311—COMMERCIAL MOTOR VEHICLE SAFETY**

\* \* \* \* \*

#### **SUBCHAPTER III—SAFETY REGULATION**

\* \* \* \* \*

#### **§ 31138. Minimum financial responsibility for transporting passengers**

(a) GENERAL REQUIREMENT.—The Secretary of Transportation shall prescribe regulations to require minimum levels of financial responsibility sufficient to satisfy liability amounts established by the Secretary covering public liability and property damage for the *motor vehicle* transportation of passengers for compensation 【by

commercial motor vehicle] *by a for-hire motor carrier or private motor carrier (as such terms are defined in section 390.5 of title 49, Code of Federal Regulations, as in effect on the date of enactment of this parenthetical phrase)* in the United States between a place in a State and—

\* \* \* \* \*

**§ 31139. Minimum financial responsibility for transporting property**

\* \* \* \* \*

(b) GENERAL REQUIREMENT AND MINIMUM AMOUNT.—(1) The Secretary of Transportation shall prescribe regulations to require minimum levels of financial responsibility sufficient to satisfy liability amounts established by the Secretary covering public liability, property damage, and environmental restoration for the *motor vehicle* transportation of property for compensation [by commercial motor vehicle] *by a for-hire motor carrier or private motor carrier (as such terms are defined in section 390.5 of title 49, Code of Federal Regulations, as in effect on the date of enactment of this parenthetical phrase)* in the United States between a place in a State and—

\* \* \* \* \*

**SUBTITLE VII—AVIATION PROGRAMS**

\* \* \* \* \*

**PART A—AIR COMMERCE AND SAFETY**

\* \* \* \* \*

**SUBPART III—SAFETY**

\* \* \* \* \*

**CHAPTER 443—INSURANCE**

\* \* \* \* \*

**§ 44302. General authority**

(a) \* \* \*

\* \* \* \* \*

(f) EXTENSION OF POLICIES.—

(1) IN GENERAL.—The Secretary shall extend through August 31, [2006,] 2007, and may extend through December 31, [2006,] 2007, the termination date of any insurance policy that the Department of Transportation issued to an air carrier under subsection (a) and that is in effect on the date of enactment of this subsection on no less favorable terms to the air carrier than existed on June 19, 2002; except that the Secretary shall amend the insurance policy, subject to such terms and conditions as the Secretary may prescribe, to add coverage for losses or injuries to aircraft hulls, passengers, and crew at the limits carried by air carriers for such losses and injuries as of such date of enactment and at an additional premium

comparable to the premium charged for third-party casualty coverage under such policy.

\* \* \* \* \*

#### § 44303. Coverage

(a) \* \* \*

(b) AIR CARRIER LIABILITY FOR THIRD PARTY CLAIMS ARISING OUT OF ACTS OF TERRORISM.—For acts of terrorism committed on or to an air carrier during the period beginning on September 22, 2001, and ending on December 31, [2006,] 2007, the Secretary may certify that the air carrier was a victim of an act of terrorism and in the Secretary's judgment, based on the Secretary's analysis and conclusions regarding the facts and circumstances of each case, shall not be responsible for losses suffered by third parties (as referred to in section 205.5(b)(1) of title 14, Code of Federal Regulations) that exceed \$100,000,000, in the aggregate, for all claims by such parties arising out of such act. If the Secretary so certifies, the air carrier shall not be liable for an amount that exceeds \$100,000,000, in the aggregate, for all claims by such parties arising out of such act, and the Government shall be responsible for any liability above such amount. No punitive damages may be awarded against an air carrier (or the Government taking responsibility for an air carrier under this subsection) under a cause of action arising out of such act. The Secretary may extend the provisions of this subsection to an aircraft manufacturer (as defined in section 44301) of the aircraft of the air carrier involved.

\* \* \* \* \*

### NATIONAL HOUSING ACT

\* \* \* \* \*

### TITLE II—MORTGAGE INSURANCE

\* \* \* \* \*

#### INSURANCE OF HOME EQUITY CONVERSION MORTGAGES FOR ELDERLY HOMEOWNERS

SEC. 255. (a) \* \* \*

\* \* \* \* \*

(g) LIMITATION ON INSURANCE AUTHORITY.—[The aggregate number of mortgages insured under this section may not exceed 250,000.] In no case may the benefits of insurance under this section exceed the maximum dollar amount established under section 203(b)(2) for 1-family residences in the area in which the dwelling subject to the mortgage under this section is located. *To minimize the risk to the General Insurance Fund, prior to insuring a mortgage under this section, the Secretary shall consider the number of mortgages already insured under this section in that geographic region.*

\* \* \* \* \*

# **McKINNEY-VENTO HOMELESS ASSISTANCE ACT**

\* \* \* \* \*

## **TITLE II—INTERAGENCY COUNCIL ON THE HOMELESS**

\* \* \* \* \*

### **SEC. 209. TERMINATION.**

The Council shall cease to exist, and the requirements of this title shall terminate, on October 1, **[2006]** *2007*.

\* \* \* \* \*

## **UNITED STATES HOUSING ACT OF 1937**

\* \* \* \* \*

### **SEC. 24. \* \* \***

\* \* \* \* \*

(a) \* \* \*

\* \* \* \* \*

(m) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section \$600,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000 **[through 2006]** *2007*.

\* \* \* \* \*

(n) SUNSET.—No assistance may be provided under this section after **[September 30, 2006]** *September 30, 2007*.

\* \* \* \* \*

## **INTERNATIONAL AIR TRANSPORTATION COMPETITION ACT OF 1979, PUBLIC LAW 96-192**

\* \* \* \* \*

SEC. 29. (a) \* \* \*

\* \* \* \* \*

(c) Subsections (a) and (b) shall not apply with respect to, and it is found consistent with the public convenience and necessity to authorize, transportation of individuals, by air, on a flight between Love Field, Texas, and one or more points within the States of Louisiana, Arkansas, Oklahoma, New Mexico, and Texas by an air **[carrier, if (1) such air carrier does not offer or provide any through service or ticketing with another air carrier or foreign air carrier, and (2) such air carrier does not offer for sale transportation to or from, and the flight or aircraft does not serve, any point which is outside any such State. Nothing in this subsection shall be construed to give authority not otherwise provided by law to the Secretary of Transportation, the Civil Aeronautics Board, any other officer or employee of the United States, or any other person.]** *carrier. Air carriers and, with regard to foreign air transportation, foreign air carriers, may offer for sale and provide through service and ticketing to or from Love Field, Texas, and any domestic or foreign destination through any point within Texas,*

*New Mexico, Oklahoma, Kansas, Arkansas, Louisiana, Mississippi, Missouri, and Alabama.*

\* \* \* \* \*

**GOVERNMENT MANAGEMENT REFORM ACT OF 1994,  
PUBLIC LAW 103-356**

\* \* \* \* \*

**TITLE IV—FINANCIAL MANAGEMENT**

\* \* \* \* \*

**SEC. 403. FRANCHISE FUND PILOT PROGRAMS.**

(a) \* \* \*

\* \* \* \* \*

(f) **TERMINATION.**—The provisions of this section shall expire on  
[October 1, 2006] *October 1, 2007.*

\* \* \* \* \*

**DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING  
AND URBAN DEVELOPMENT, AND INDEPENDENT  
AGENCIES APPROPRIATIONS ACT, 1998, PUBLIC LAW  
105-65**

\* \* \* \* \*

**TITLE V—HUD MULTIFAMILY HOUSING REFORM**

\* \* \* \* \*

**SEC. 579. TERMINATION.**

“(a) **REPEALS.**—

“(1) **MARK-TO-MARKET PROGRAM.**—Subtitle A (except for  
section 524) is repealed effective [October 1, 2006] *October 1,*  
*2011.*

“(2) **OMHAR.**—Subtitle D (except for this section) is re-  
pealed effective October 1, 2004.

“(b) **EXCEPTION.**—Notwithstanding the repeal under subsection  
(a), the provisions of subtitle A (as in effect immediately before  
such repeal) shall apply with respect to projects and programs for  
which binding commitments have been entered into under this Act  
before [October 1, 2006] *October 1, 2011.*

\* \* \* \* \*

**DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,  
THE JUDICIARY, AND RELATED AGENCIES APPROPRIA-  
TIONS ACT, 1998, PUBLIC LAW 105-119**

\* \* \* \* \*

**SEC. 122. (a)** \* \* \*

\* \* \* \* \*

(g)(1) Notwithstanding any other provision of law and subject to  
paragraph (2), the Secretary of the Treasury is authorized to estab-  
lish, for a period of [8 years] *9 years* from date of enactment of  
this provision, a personnel management demonstration project pro-

viding for the compensation and performance management of not more than a combined total of 950 employees who fill critical scientific, technical, engineering, intelligence analyst, language translator, and medical positions in the Bureau of Alcohol, Tobacco and Firearms.

\* \* \* \* \*

# **CONSOLIDATED APPROPRIATIONS ACT, 2005, PUBLIC LAW 108-447**

\* \* \* \* \*

## **DIVISION H—TRANSPORTATION, TREASURY, INDEPENDENT AGENCIES, AND GENERAL GOVERNMENT APPROPRIA- TIONS ACT, 2005**

\* \* \* \* \*

### **TITLE V—GENERAL PROVISIONS**

\* \* \* \* \*

#### **SEC. 522. (a) \* \* \***

\* \* \* \* \*

#### **[(d) INDEPENDENT, THIRD-PARTY REVIEW.—**

[(1) IN GENERAL.—At least every 2 years, each agency shall have performed an independent, third party review of the use of information in identifiable form as the privacy and data protection procedures of the agency to—

[(A) determine the accuracy of the description of the use of information in identifiable form;

[(B) determine the effectiveness of the privacy and data protection procedures;

[(C) ensure compliance with the stated privacy and data protection policies of the agency and applicable laws and regulations; and

[(D) ensure that all technologies used to collect, use, store, and disclose information in identifiable form allow for continuous auditing of compliance with stated privacy policies and practices governing the collection, use and distribution of information in the operation of the program.

[(2) PURPOSES.—The purposes of reviews under this subsection are to—

[(A) ensure the agency's description of the use of information in an identifiable form is accurate and accounts for the agency's current technology and its processing of information in an identifiable form;

[(B) measure actual privacy and data protection practices against the agency's recorded privacy and data protection procedures;

[(C) ensure compliance and consistency with both online and offline stated privacy and data protection policies; and

[(D) provide agencies with ongoing awareness and recommendations regarding privacy and data protection procedures.

[(3) REQUIREMENTS OF REVIEW.—The Inspector General of each agency shall contract with an independent, third party that is a recognized leader in privacy consulting, privacy technology, data collection and data use management, and global privacy issues, to—

[(A) evaluate the agency’s use of information in identifiable form;

[(B) evaluate the privacy and data protection procedures of the agency; and

[(C) recommend strategies and specific steps to improve privacy and data protection management.

[(4) CONTENT.—Each review under this subsection shall include—

[(A) a review of the agency’s technology, practices and procedures with regard to the collection, use, sharing, disclosure, transfer and storage of information in identifiable form;

[(B) a review of the agency’s stated privacy and data protection procedures with regard to the collection, use, sharing, disclosure, transfer, and security of personal information in identifiable form relating to agency employees and the public;

[(C) a detailed analysis of agency intranet, network and Websites for privacy vulnerabilities, including—

[(i) noncompliance with stated practices, procedures and policies; and

[(ii) risks for inadvertent release of information in an identifiable form from the website of the agency; and

[(D) a review of agency compliance with this Act.]

(d) *INSPECTOR GENERAL REVIEW.*—*The Inspector General of each agency shall periodically conduct a review of the agency’s implementation of this section and shall report the results of its review to the Committees on Appropriations of the House of Representatives and the Senate, the House Committee on Government Reform, and the Senate Committee on Homeland Security and Governmental Affairs. The report required by this review may be incorporated into a related report to Congress otherwise required by law including, but not limited to, 44 U.S.C. § 3545, the Federal Information Security Management Act of 2002. The Inspector General may contract with an independent, third party organization to conduct the review.*

\* \* \* \* \*

# **SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS, PUBLIC LAW 109–59**

\* \* \* \* \*

## **TITLE IV—MOTOR CARRIER SAFETY**

\* \* \* \* \*



### Subtitle C—Unified Carrier Registration Act of 2005

SEC. 4301. \* \* \*

\* \* \* \* \*

**SEC. 4305. REGISTRATION OF MOTOR CARRIERS BY STATES.**

(a) **TERMINATION OF REGISTRATION PROVISIONS.—**

(1) Section 14504, and the item relating to such section in the analysis for chapter 145, of title 49, United States Code, are repealed effective on the first January 1st occurring more than **[12]** 24 months after the date of enactment of this Act.

(2) *The Department of Transportation and the board of directors for the unified carrier registration plan shall conclude and complete any and all rulemakings, final rules, and administrative procedures to constitute final agency actions and implementation of all Federal obligations and requirements for the Uniform Carrier Registration system plan and agreement under this Act on the first April 1 occurring more than 12 months after the date of enactment of this Act.*

(3) *The Government Accountability Office shall provide quarterly reports to the Congress on the progress being made to meet the statutory requirements of this section.*

#### BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.  
308(a), PUBLIC LAW 93–344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of budget totals for 2007: Subcommittee on Transportation, Treasury, the Judiciary, Housing and Urban Development, and Related Agencies:				
Discretionary .....	69,000	69,000	NA	<sup>1</sup> 130,172
Mandatory .....	19,927	19,927	NA	<sup>1</sup> 19,922
Projection of outlays associated with the recommendation:				
2007 .....				<sup>2</sup> 74,199
2008 .....				35,623
2009 .....				14,082
2010 .....				6,413
2011 and future years .....				6,887
Financial assistance to State and local governments for 2007 .....	NA	27,264	NA	24,522

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007  
[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
					2006 appropriation	Budget estimate
<b>TITLE I—DEPARTMENT OF TRANSPORTATION</b>						
Office of the Secretary						
Salaries and expenses .....	84,052	92,742	65,973	92,742	+ 8,690	.....
Immediate Office of the Secretary .....	(2,176)	.....	(2,176)	(2,255)	(+ 79)	+ 26,769
Immediate Office of the Deputy Secretary .....	(691)	.....	(691)	(717)	(+ 26)	(+ 79)
Office of the General Counsel .....	(15,031)	.....	(15,031)	(15,681)	(+ 650)	(+ 26)
Office of the Under Secretary of Transportation for Policy .....	(11,534)	.....	(11,534)	(11,934)	(+ 400)	(+ 650)
Office of the Assistant Secretary for Budget and Programs .....	(8,400)	.....	(8,400)	(10,002)	(+ 1,602)	(+ 400)
Office of the Assistant Secretary for Governmental Affairs .....	(2,270)	.....	.....	(2,319)	(+ 49)	(+ 1,602)
Office of the Assistant Secretary for Administration .....	(21,811)	.....	(19,111)	(25,108)	(+ 3,297)	(+ 2,319)
Office of Public Affairs .....	(1,891)	.....	.....	(1,932)	(+ 41)	(+ 5,997)
Executive Secretariat .....	(1,428)	.....	.....	(1,478)	(+ 50)	(+ 1,932)
Board of Contract Appeals .....	(690)	.....	(707)	(707)	(+ 17)	(+ 1,478)
Office of Small and Disadvantaged Business Utilization .....	(1,252)	.....	(1,286)	(1,286)	(+ 34)	(+ 707)
Office of Intelligence and Security .....	(2,013)	.....	(2,722)	.....	(- 2,013)	(+ 1,286)
Office of the Chief Information Officer .....	(11,776)	.....	.....	(12,281)	(+ 505)	(+ 12,281)
Office of emergency transportation .....	(3,089)	.....	(4,386)	.....	(- 3,089)	(+ 4,386)
Office of Intelligence Security and Emergency Response .....	.....	.....	(7,041)	(7,042)	(+ 7,042)	(+ 1)
User fees .....	(- 2,500)	.....	.....	(- 2,500)	(+ 7,042)	(- 2,500)
Spending of user fees .....	(2,500)	.....	.....	(2,500)	.....	(+ 2,500)
Subtotal .....	(84,052)	(92,742)	(65,973)	(92,742)	(+ 8,690)	(+ 26,769)
Office of Civil Rights .....	8,465	8,821	8,821	8,821	+ 356	.....
Rescission of excess compensation for air carriers .....	.....	-50,000	-50,000	-50,000	-50,000	.....
Transportation planning, research, and development .....	14,850	8,910	4,910	9,334	-5,516	+ 424
Working capital fund .....	(118,014)	.....	(120,000)	(123,418)	(+ 5,404)	(+ 3,418)
Minority business resource center program .....	891	891	891	1,287	+ 396	+ 396
(Limitation on guaranteed loans) .....	(18,367)	(18,367)	(18,367)	(18,367)	.....	.....
Minority business outreach .....	2,970	2,970	2,970	2,970	.....	.....
New headquarters building .....	49,500	59,400	.....	59,400	+ 9,900	.....
Payments to air carriers (Airport & Airway Trust Fund) .....	59,400	.....	67,000	67,000	+ 7,600	+ 59,400



COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007—Continued  
[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2006 appropriation	Budget estimate	House allowance
Rescissions of contract authority .....	-1,032,000	-1,582,000	-25,000	-765,490	+266,510	+816,510	-740,490
Total budgetary resources .....	(13,711,460)	(12,774,000)	(15,154,000)	(14,241,010)	(+529,550)	(+1,467,010)	(-912,990)
Federal Highway Administration							
Limitation on administrative expenses .....	(360,992)	(372,504)	(372,504)	(378,504)	(+17,512)	(+6,000)	(+6,000)
Federal-aid highways (Highway Trust Fund):							
(Liquidation of contract authorization) .....	(36,032,344)	(39,086,465)	(39,086,465)	(39,086,465)	(+3,054,121)		
(Limitation on obligations) .....	(35,672,021)	(39,086,465)	(39,086,465)	(39,086,465)	(+3,414,444)		
(Exempt contract authority) .....	(739,000)	(739,000)	(739,000)	(739,000)			
(Transfer to NHTSA) .....	(-121,232)				(+121,232)		
Rescission of contract authority (Highway Trust Fund) .....							+69,608
Appalachian development highway system .....					+200	+20,000	+20,000
Delta Regional Authority .....	19,800			20,000	+20,000	+20,000	+20,000
Emergency relief programs (Highway Trust Fund):							
Emergency appropriations (Public Law 109-148) .....	2,750,000				-2,750,000		
Emergency appropriations (Public Law 109-234) .....	702,363				-702,363		
Rescission of contract authority (Hwy Trust Fund) .....	-1,999,999				+499,016	-1,500,983	+499,017
Rescission of contract authority (HTF) (Public Law 109-148) .....	-1,143,000				+1,143,000		
Rescission of contract authority (HTF) (Public Law 109-234) .....	-702,363				+702,363		
Additional contract authority (sec. 112) .....	618,000				-618,000		+100,000
TIFIA (rescission of contract authority) (sec. 125) .....							
Unobligated balances (rescission of contract authority) .....							
Unobligated balances (rescission) .....							
Total, Federal Highway Administration .....	244,801			-1,460,983	-1,705,784	-1,460,983	+708,625
(Limitations on obligations) .....	(35,672,021)	(39,086,465)	(39,086,465)	(39,086,465)	(+3,414,444)		
(Transfer out) .....	(-121,232)				(+121,232)		
(Exempt contract authority) .....	(739,000)	(739,000)	(739,000)	(739,000)			
Rescissions .....							

Rescissions of contract authority .....	- 3,845,362	.....	- 2,169,608	- 1,500,983	+ 2,344,379	- 1,500,983	+ 668,625
Total budgetary resources .....	(32,444,427)	(39,825,465)	(37,555,857)	(38,324,482)	(+ 5,880,055)	(- 1,500,983)	(+ 668,625)
Federal Motor Carrier Safety Administration							
Motor carrier safety (limitation on administrative expenses) (liquida-	.....	.....	.....	.....	.....	.....	.....
tion of contract authorization) .....	.....	.....	.....	.....	.....	.....	.....
(Limitation on obligations) .....	.....	.....	.....	.....	.....	.....	.....
Motor carrier safety operations and programs (Highway Trust Fund)	(213,000)	(223,000)	(223,000)	(223,000)	(+ 10,000)	.....	.....
(Liquidation of contract authorization) .....	(210,870)	(223,000)	(223,000)	(223,000)	(+ 12,130)	.....	.....
(Limitation on obligations) .....	.....	.....	.....	.....	.....	.....	.....
National motor carrier safety program (Highway Trust Fund) (Liquida-	.....	.....	.....	.....	.....	.....	.....
tion of contract authorization) .....	.....	.....	.....	.....	.....	.....	.....
Rescission of contract authority (HTF) .....	.....	.....	.....	.....	- 3,420	- 3,420	- 3,420
(Limitation on obligations) .....	.....	.....	.....	.....	.....	.....	.....
Motor carrier safety grants (Highway Trust Fund):	.....	.....	.....	.....	.....	.....	.....
Rescission of contract authority (HTF) .....	(282,000)	(294,000)	(294,000)	(294,000)	- 27,123	- 27,123	- 27,123
(Liquidation of contract authorization) .....	(279,180)	(294,000)	(294,000)	(294,000)	(+ 12,000)	.....	.....
(Limitation on obligations) .....	.....	.....	.....	.....	(+ 14,820)	.....	.....
Total, Federal Motor Carrier Safety Admin .....	.....	.....	.....	.....	.....	.....	.....
(Limitations on obligations) .....	(490,050)	(517,000)	(517,000)	(517,000)	(+ 26,950)	.....	.....
Rescissions of contract authority .....	.....	.....	.....	.....	- 30,543	- 30,543	- 30,543
Total budgetary resources .....	(490,050)	(517,000)	(517,000)	(517,000)	(+ 26,950)	.....	.....
National Highway Traffic Safety Administration							
Operations and research (General fund) .....	.....	.....	128,700	123,750	+ 123,750	+ 123,750	- 4,950
Operations and research (Highway trust fund):	.....	.....	.....	.....	.....	.....	.....
(Liquidation of contract authorization) .....	(110,000)	(227,250)	(107,750)	(107,750)	(- 2,250)	(- 119,500)	.....
(Limitation on obligations) .....	(108,900)	(227,250)	(107,750)	(107,750)	(- 1,150)	(- 119,500)	.....
(Transfer from FHWA) .....	(121,232)	.....	.....	.....	(- 12,1232)	.....	.....
Rescission of contract authority .....	.....	.....	.....	.....	- 6,773	- 6,773	- 6,773
National Driver Register (Highway trust fund):	.....	.....	.....	.....	.....	.....	.....
(Liquidation of contract authorization) .....	(4,000)	(4,000)	(4,000)	(4,000)	.....	.....	.....
(Limitation on obligations) .....	(3,960)	(4,000)	(4,000)	(4,000)	(+ 40)	.....	.....
Rescission of contract authority .....	.....	.....	.....	.....	- 8	- 8	- 8
Highway traffic safety grants (Highway Trust Fund):	.....	.....	.....	.....	.....	.....	.....
(Liquidation of contract authorization) .....	(578,176)	(583,750)	(587,750)	(583,750)	(+ 5,574)	.....	(- 4,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007—Continued  
[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2006 appropriation	Budget estimate	House allowance
(Limitation on obligations):							
Highway safety programs (Sec. 402)	(214,830)	(220,000)	(220,000)	(220,000)	(+ 5,170)		
Formula grants (Sec. 402(k))							
Formula grants (Sec. 402(l))							
Occupant protection incentive grants (Sec. 405)	(24,750)	(25,000)	(25,000)	(25,000)	(+ 250)		
Safety belt performance grants (Sec. 406)	(123,255)	(124,500)	(124,500)	(124,500)	(+ 1,245)		
Alcohol-impaired driving countermeasures grants (Sec. 410)	(118,800)	(125,000)	(125,000)	(125,000)	(+ 6,200)		
Emergency medical services grants (Sec. 407)							
State traffic safety information system improvement grants (Sec. 408)	(34,155)	(34,500)	(34,500)	(34,500)	(+ 345)		
High visibility enforcement	(28,710)	(25,000)	(29,000)	(25,000)	(- 3,710)	(- 4,000)	
Child safety and booster seat grants	(5,940)	(6,000)	(6,000)	(6,000)	(+ 60)		
Motorcyclist safety	(5,940)	(6,000)	(6,000)	(6,000)	(+ 60)		
Grant administration	(16,014)	(17,750)	(17,750)	(17,750)	(+ 1,736)		
Rescission of unobligated balances				-5,647	-5,647	-5,647	
Subtotal	(572,394)	(583,750)	(587,750)	(583,750)	(+ 11,356)	(- 4,000)	
Total, National Highway Traffic Safety Admin (Limitations on obligations)	(685,254)	(815,000)	128,700 (699,500)	111,322 (695,500)	+ 111,322 (+ 10,246) (- 121,232)	- 17,378 (- 4,000)	
(By transfer)	(121,232)						
Rescissions				-5,647	-5,647	-5,647	
Rescissions of contract authority				-6,781	-6,781	-6,781	
Total budgetary resources	(806,486)	(815,000)	(828,200)	(806,822)	(+ 336)	(- 21,378)	
Federal Railroad Administration							
Safety and operations	144,490	150,578	150,153	150,578	+ 6,088	+ 425	
Railroad research and development	54,524	34,650		34,650	- 19,874	+ 34,650	
Railroad rehabilitation and improvement program							

Next generation high-speed rail Alaska Railroad rehabilitation	9,900				-9,900			
National Railroad Passenger Corporation								
Operating subsidy grants to the National Railroad Passenger Corporation	490,050				-490,050			
Capital grants to the National Railroad Passenger Corporation	772,200	500,000		629,000	-22,200	+250,000		+121,000
Rescission (Public Law 109-148)	-8,300				+8,300			
Efficiency incentive grants to National Railroad Passenger Corporation	39,600	400,000		485,000		+250,000		+165,000
Grants to the National Railroad Passenger Corporation								
Total, National Railroad Passenger Corporation	1,293,550	900,000	1,114,000		+106,450	+500,000		+286,000
Total, Federal Railroad Administration	1,510,764	1,085,228	1,264,153		+74,464	+500,000		+321,075
Federal Transit Administration								
Administrative expenses, general fund	79,200	85,000	85,000		+5,800			
Administrative expenses (Highway Trust Fund, Mass Transit Account)(limitation on obligations)	(916)		(1,063)			(+1,063)		
Office of the Administrator	(4,017)		(4,273)		(+147)	(+4,273)		
Office of Chief Counsel	(3,121)		(3,272)		(+151)	(+3,272)		
Office of Civil Rights	(1,345)		(1,394)		(+49)	(+1,394)		
Office of Communications and Congressional Affairs	(8,646)		(9,259)		(+613)	(+9,259)		
Office of Budget and Policy	(4,086)		(4,718)		(+632)	(+4,718)		
Office of Planning	(7,906)		(8,403)		(+497)	(+8,403)		
Office of Program Management	(4,716)		(4,876)		(+160)	(+4,876)		
Office of Demonstration and Innovation	(7,252)		(7,654)		(+402)	(+7,654)		
Office of Administration	(16,648)		(17,668)		(+1,020)	(+17,668)		
Central Account	(20,546)		(22,420)		(+1,874)	(+22,420)		
Regional offices								
National Transit database								
Subtotal	(79,200)	(85,000)	(85,000)		(+5,800)			
Formula and Bus Grants (Highway Trust Fund, Mass Transit Account)(limitation on obligations)	(6,910,132)	(7,262,775)	(7,262,775)		(+352,643)			
Formula and Bus Grants (rescission)		-28,661	-28,661		-28,661			
Subtotal	(6,910,132)	(7,234,114)	(7,234,114)		(+323,982)			

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007—Continued  
[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2006 appropriation	Budget estimate	House allowance
Research and University Research Centers .....	74,448	61,000	65,000	61,000	-13,448	.....	-4,000
Flexible funding .....	.....	.....	.....	.....	.....	.....	.....
Trust fund share of expenses (Mass Transit Account, HIF) (liquidation of contract authorization) .....	(6,910,132)	(7,262,775)	(7,262,775)	(7,262,775)	(+ 352,643)	.....	.....
Capital investment grants .....	1,440,682	1,466,000	1,566,000	1,466,000	+25,318	.....	-100,000
Small starts .....	.....	.....	-17,760	.....	.....	.....	+17,760
Total, Federal Transit Administration .....	1,594,330	1,583,339	1,669,579	1,583,339	-10,991	.....	-86,240
(Limitations on obligations) .....	(6,910,132)	(7,262,775)	(7,262,775)	(7,262,775)	(+ 352,643)	.....	.....
Total budgetary resources .....	(8,504,462)	(8,846,114)	(8,932,354)	(8,846,114)	(+ 341,652)	.....	(- 86,240)
Saint Lawrence Seaway Development Corporation							
Operations and maintenance (Harbor Maintenance Trust Fund) .....	16,121	8,000	17,425	17,425	+1,304	+9,425	.....
Maritime Administration							
Maritime security program .....	154,440	154,440	154,440	154,440	.....	.....	.....
Operations and training .....	121,027	115,830	116,442	115,830	-5,197	.....	-612
Emergency appropriations (Public Law 109-148) .....	7,500	.....	.....	.....	-7,500	.....	.....
Ship disposal .....	20,790	25,740	25,740	25,740	+4,950	.....	.....
Vessel operations revolving fund .....	.....	.....	.....	.....	.....	.....	.....
Maritime Guaranteed Loan (Title XI) Program Account:							
Administrative expenses .....	4,085	3,317	3,317	3,317	-768	.....	.....
Rescission .....	.....	-2,000	-2,000	.....	.....	+2,000	+2,000
Guarantee loans subsidy .....	.....	.....	.....	30,000	+30,000	+30,000	+30,000
National defense tank vessel program (rescission) .....	.....	.....	.....	-74,400	-74,400	.....	.....
Ship construction (rescission) .....	.....	-74,400	-74,400	.....	+2,071	.....	.....
Assistance to Small Shipyards .....	-2,071	.....	.....	15,000	+15,000	+15,000	+15,000
Total, Maritime Administration .....	305,771	222,927	223,539	269,927	-35,844	+47,000	+46,388



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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007—Continued  
[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2006 appropriation	Budget estimate	House allowance
(Limitations on obligations) .....	(47,271,957)	(50,431,240)	(51,265,740)	(51,081,740)	(+ 3,809,783)	(+ 650,500)	(- 184,000)
(Exempt contract authority) .....	(739,000)	(739,000)	(739,000)	(739,000)	.....	.....	.....
(By transfer) .....	(121,232)	.....	.....	.....	(- 121,232)	.....	.....
(Transfer out) .....	(- 121,232)	.....	.....	.....	(+ 121,232)	.....	.....
Total budgetary resources .....	(62,315,952)	(64,432,382)	(64,906,157)	(65,027,508)	(+ 2,711,556)	(+ 595,126)	(+ 121,351)
Transportation discretionary total .....	14,304,995	13,262,142	12,901,417	13,206,768	- 1,098,227	- 55,374	+ 305,351
TITLE II—DEPARTMENT OF THE TREASURY							
Departmental Offices							
Salaries and expenses .....	194,626	223,874	223,786	223,874	+ 29,248	.....	+ 88
Executive direction .....	(8,556)	(17,501)	(8,760)	(8,760)	(+ 204)	(- 8,741)	.....
General Counsel .....	(7,773)	.....	(8,741)	(8,741)	(+ 968)	(+ 8,741)	.....
Economic policies and programs .....	(31,691)	(41,947)	(41,947)	(41,947)	(+ 10,256)	.....	.....
Financial policies and programs .....	(26,308)	(25,336)	(27,086)	(25,336)	(- 972)	.....	(- 1,750)
Terrorism and Financial Intelligence .....	(39,540)	(45,401)	(45,401)	(45,701)	(+ 6,161)	(+ 300)	(+ 300)
Treasury wide management .....	(16,675)	(20,372)	(18,534)	(20,072)	(+ 3,397)	(- 300)	(+ 1,538)
Administration .....	(63,094)	(73,317)	(73,317)	(73,317)	(+ 10,223)	.....	.....
Currency manipulation .....	(990)	.....	.....	.....	(- 990)	.....	.....
Undesignated reduction .....	.....	.....	.....	.....	.....	.....	.....
Emergency appropriations (Public Law 109-234) .....	1,800	.....	.....	.....	- 1,800	.....	.....
Subtotal .....	(196,426)	(223,874)	(223,786)	(223,874)	(+ 27,448)	.....	(+ 88)
Office of Foreign Assets Control .....	.....	.....	.....	.....	.....	.....	.....
Department-wide systems and capital investments programs .....	24,168	34,032	34,032	34,032	+ 9,864	.....	.....
Office of Inspector General .....	16,830	17,352	17,352	18,352	+ 1,522	+ 1,000	+ 1,000
Treasury Inspector General for Tax Administration .....	131,953	136,469	136,469	136,469	+ 4,516	.....	.....
Air transportation stabilization program account .....	2,723	.....	.....	.....	- 2,723	.....	.....

Community development financial institutions fund program account .....	54,450	7,821	40,000	55,000	+50	+47,179	+15,000
Treasury building and annex repair and restoration .....	9,900	.....	.....	.....	-9,900	.....	.....
Financial Crimes Enforcement Network .....	72,894	89,794	84,066	77,321	+4,427	-12,473	-6,745
Total, Departmental Offices .....	509,344	509,342	535,705	545,048	+35,704	+35,706	+9,343
Financial Management Service .....	233,881	233,654	233,654	233,654	-227	.....	.....
Alcohol and Tobacco Tax and Trade Bureau:							
Salaries and expenses .....	90,215	63,964	92,604	92,604	+2,389	+28,640	.....
Spending from proposed user fees .....	.....	28,640	.....	.....	.....	-28,640	.....
Offsetting collections .....	.....	.....	.....	.....	.....	.....	.....
Subtotal .....	90,215	92,604	92,604	92,604	+2,389	.....	.....
Bureau of the Public Debt .....	175,154	177,789	177,789	177,789	+2,635	.....	.....
Payment of government losses in shipment .....	1,000	500	500	500	-500	.....	.....
Total, Dept. of Treasury, non-IRS .....	1,009,594	1,013,889	1,040,252	1,049,595	+40,001	+35,706	+9,343
Internal Revenue Service							
Tax administration and operations .....	.....	.....	.....	.....	.....	.....	.....
Adjusted appropriation .....	4,095,212	4,045,122	.....	.....	-4,095,212	-4,045,122	.....
Processing, assistance, and management .....	-20,000	.....	.....	.....	+20,000	.....	.....
Rescission .....	.....	.....	2,059,151	2,110,000	+2,110,000	+2,110,000	+50,849
Taxpayer services .....	4,678,498	4,762,327	.....	.....	-4,678,498	-4,762,327	.....
Tax law enforcement .....	.....	.....	4,757,126	4,797,126	+4,797,126	+4,797,126	+40,000
Enforcement .....	.....	1,602,232	.....	.....	-1,582,977	-1,602,232	.....
Information systems .....	1,582,977	.....	.....	.....	+3,487,000	+3,487,000	+27,848
Operations support .....	.....	.....	3,459,152	3,487,000	.....	.....	.....
Subtotal .....	10,336,687	10,409,681	10,275,429	10,394,126	+57,439	-15,555	+118,697
Business systems modernization .....	197,010	167,310	197,060	245,000	+47,990	+77,690	+47,940
Health Insurance Tax Credit Administration .....	20,008	14,846	14,846	14,846	-5,162	.....	.....
Rescission .....	-9,000	.....	.....	.....	+9,000	.....	.....
IRS Oversight Board .....	.....	.....	.....	2,000	+2,000	+2,000	+2,000
Total, Internal Revenue Service .....	10,544,705	10,591,837	10,487,335	10,655,972	+111,267	+64,135	+168,637

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007—Continued  
[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2006 appropriation	Budget estimate	House allowance
Total, title II, Department of the Treasury .....	11,554,299	11,605,726	11,527,587	11,705,567	+ 151,268	+ 99,841	+ 177,980
Appropriations .....	(11,581,499)	(11,605,726)	(11,527,587)	(11,705,567)	(+ 124,068)	(+ 99,841)	(+ 177,980)
Rescissions .....	( - 29,000)	.....	.....	.....	(+ 29,000)	.....	.....
<b>TITLE III—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
Public and Indian Housing							
Tenant-based Rental Assistance:							
Renewals .....	13,948,858	14,436,200	14,506,200	14,436,200	+ 487,342	.....	- 70,000
Tenant protection vouchers .....	178,200	149,300	149,300	149,300	- 28,900	.....	.....
Family self-sufficiency coordinators .....	47,520	47,500	47,500	47,500	- 20	.....	.....
Administrative fees .....	1,237,500	1,281,100	1,137,500	1,271,100	+ 33,600	- 10,000	+ 133,600
Working capital fund .....	5,841	5,900	5,900	5,900	+ 59	.....	.....
Family Unification .....	.....	.....	.....	10,000	+ 10,000	+ 10,000	+ 10,000
Subtotal .....	15,417,919	15,920,000	15,846,400	15,920,000	+ 502,081	.....	+ 73,600
Emergency appropriations (Public Law 109-148) .....	390,300	.....	.....	.....	- 390,300	.....	.....
Advance appropriations .....	4,200,000	4,200,000	4,200,000	4,200,000	.....	.....	.....
Less appropriations from prior year advances .....	- 4,200,000	- 4,200,000	- 4,200,000	- 4,200,000	.....	.....	.....
Total, Tenant-based rental assistance .....	15,808,219	15,920,000	15,846,400	15,920,000	+ 111,781	.....	+ 73,600
Project-based rental assistance:							
Renewals .....	4,890,303	5,526,240	5,326,240	5,526,240	+ 635,937	.....	+ 200,000
Contract administrators .....	145,728	145,500	145,500	145,500	- 228	.....	.....
Working capital fund .....	1,386	3,960	3,960	3,960	+ 2,574	.....	.....
Total, Project-based rental assistance .....	5,037,417	5,675,700	5,475,700	5,675,700	+ 638,283	.....	+ 200,000
Public Housing Capital Fund .....	2,438,964	2,178,000	2,208,000	2,460,000	+ 21,036	+ 282,000	+ 252,000
Public Housing Operating Fund .....	3,564,000	3,564,000	3,564,000	3,660,000	+ 96,000	+ 96,000	+ 96,000
Revitalization of severely distressed public housing .....	99,000	.....	.....	100,000	+ 1,000	+ 100,000	+ 100,000

Native American housing block grants .....	623,700	625,680	625,680	625,680	625,680	+ 1,980	.....	.....	.....	+ 1,980
Indian housing loan guarantee fund program account .....	3,960	5,940	3,960	5,940	5,940	+ 1,980	.....	.....	.....	+ 1,980
(Limitation on guaranteed loans) .....	(116,276)	(251,000)	(116,276)	(251,000)	(251,000)	(+ 134,724)	.....	.....	.....	(+ 134,724)
Native Hawaiian housing block grant .....	8,727	5,940	8,815	8,815	8,815	+ 88	.....	.....	.....	+ 88
Native Hawaiian loan guarantee fund program account .....	891	1,010	1,010	1,010	1,010	+ 119	.....	.....	.....	+ 119
(Limitation on guaranteed loans) .....	(35,714)	(43,000)	(43,000)	(43,000)	(43,000)	(+ 7,286)	.....	.....	.....	+ 7,286
Total, Public and Indian Housing .....	27,584,878	27,976,270	27,733,565	28,457,145	28,457,145	+ 872,267	.....	+ 480,875	.....	+ 723,580
Community Planning and Development										
Housing opportunities for persons with AIDS .....	286,110	300,100	300,100	295,000	295,000	+ 8,890	.....	.....	.....	.....
Rural housing and economic development .....	16,830	.....	.....	20,000	20,000	+ 3,170	.....	.....	.....	.....
Community development fund .....	4,177,800	3,032,000	4,215,000	4,215,000	4,215,000	+ 37,200	.....	+ 1,183,000	.....	.....
Community development fund (sec. 424) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Emergency appropriations (Public Law 109-148) .....	11,500,000	.....	.....	.....	.....	- 11,500,000	.....	.....	.....	.....
Emergency appropriations (Public Law 109-234) .....	5,200,000	.....	.....	.....	.....	- 5,200,000	.....	.....	.....	.....
Transfer out (emergency) (Public Law 109-234) .....	(- 27,000)	.....	.....	.....	.....	(+ 27,000)	.....	.....	.....	.....
Section 108 loan guarantees:										
(Limitation on guaranteed loans) .....	(137,500)	.....	.....	(137,500)	(137,500)	.....	.....	(+ 137,500)	.....	(+ 137,500)
Credit subsidy .....	2,970	.....	2,970	3,000	3,000	+ 30	.....	+ 3,000	.....	+ 30
Administrative expenses .....	743	.....	.....	750	750	+ 7	.....	+ 750	.....	+ 750
Brownfields redevelopment .....	9,900	.....	.....	.....	.....	- 9,900	.....	.....	.....	.....
HOME investment partnerships program .....	1,757,250	1,916,640	1,916,640	1,941,640	1,941,640	+ 184,390	.....	+ 25,000	.....	+ 25,000
Homeless assistance grants .....	1,326,600	1,535,990	1,535,990	1,511,190	1,511,190	+ 184,390	.....	- 24,800	.....	- 24,800
Self-help homeownership opportunity program .....	60,390	39,700	60,390	66,000	66,000	+ 5,610	.....	+ 26,300	.....	+ 5,610
Total, Community Planning and Development .....	24,338,593	6,824,430	8,031,090	8,052,580	8,052,580	- 16,286,013	.....	+ 1,228,150	.....	+ 21,490
Housing Programs										
Housing for the elderly .....	734,580	545,490	746,580	750,000	750,000	+ 15,420	.....	+ 204,510	.....	+ 3,420
Housing for persons with disabilities .....	236,610	118,800	239,610	240,000	240,000	+ 3,390	.....	+ 121,200	.....	+ 390
Housing counseling assistance .....	.....	44,550	.....	.....	.....	.....	.....	- 44,550	.....	.....
Manufactured housing fees trust fund .....	13,000	16,000	16,000	16,000	16,000	+ 3,000	.....	.....	.....	.....
Offsetting collections .....	- 13,000	- 13,000	- 13,000	- 16,000	- 16,000	- 3,000	.....	- 3,000	.....	- 3,000
Offsetting collections (leg. proposal) .....	.....	- 3,000	- 3,000	.....	.....	.....	.....	+ 3,000	.....	+ 3,000
Rental housing assistance .....	26,136	24,750	24,750	24,750	24,750	- 1,386	.....	.....	.....	.....
Total, Housing Programs .....	997,326	733,590	1,010,940	1,014,750	1,014,750	+ 17,424	.....	+ 281,160	.....	+ 3,810

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007—Continued  
[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
					2006 appropriation	Budget estimate
Federal Housing Administration						
FHA—Mutual mortgage insurance program account:						
(Limitation on guaranteed loans) .....	(185,000,000)	(185,000,000)	(185,000,000)	(185,000,000)	.....	.....
(Limitation on direct loans) .....	(50,000)	(50,000)	(50,000)	(50,000)	.....	.....
Administrative expenses .....	351,450	351,450	351,450	351,450	.....	.....
Offsetting receipts .....	— 1,309,000	— 176,000	— 176,000	— 176,000	+ 1,133,000	.....
Move prog to gen/spec risk (legislative proposal) .....	.....	— 358,000	.....	.....	.....	+ 358,000
Administrative contract expenses .....	61,974	62,400	52,400	52,400	— 9,574	— 10,000
Additional contract expenses .....	1,000	.....	.....	.....	— 1,000	.....
FHA—General and special risk program account:						
(Limitation on guaranteed loans) .....	(35,000,000)	(35,000,000)	(35,000,000)	(35,000,000)	.....	.....
(Limitation on direct loans) .....	(50,000)	(50,000)	(50,000)	(50,000)	.....	.....
Administrative expenses .....	229,086	229,086	229,086	229,086	.....	.....
Offsetting receipts .....	— 339,000	— 476,000	— 476,000	— 476,000	— 137,000	.....
Credit subsidy .....	8,712	8,600	8,600	8,600	— 112	.....
Non-overhead administrative expenses .....	71,181	78,111	72,778	78,111	+ 6,930	.....
Additional contract expenses .....	4,000	4,000	.....	4,000	.....	.....
Move programs from MMI (leg proposal) .....	.....	358,000	.....	.....	.....	— 358,000
FHA program modernization and reform (Sec. 325) .....	.....	.....	— 197,000	.....	.....	.....
Total, Federal Housing Administration .....	— 920,597	81,647	— 134,686	71,647	+ 992,244	— 10,000
Government National Mortgage Association (GNMA)						
Guarantees of mortgage-backed securities loan guarantee program account:						
(Limitation on guaranteed loans) .....	(200,000,000)	(100,000,000)	(100,000,000)	(100,000,000)	(— 100,000,000)	.....
Administrative expenses .....	10,700	10,700	10,700	10,700	.....	.....
Administrative expenses (legislative proposal) .....	.....	43,000	.....	.....	.....	— 43,000
Offsetting receipts .....	— 368,000	— 181,000	— 181,000	— 181,000	+ 187,000	.....
Offsetting receipts (legislative proposal) .....	.....	— 43,000	.....	.....	.....	+ 43,000

	Additional contract expenses	7,000	.....	.....	.....	.....	- 7,000	.....
Total, Gov't National Mortgage Association .....	- 357,300	- 163,300	- 170,300	- 170,300	- 170,300	+ 187,000	- 7,000	.....
Policy Development and Research								
Research and technology .....	55,787	68,360	55,787	60,000	60,000	+ 4,213	- 8,360	+ 4,213
Fair Housing and Equal Opportunity								
Fair housing activities .....	45,540	44,550	44,550	44,550	44,550	- 990	.....	.....
Office of Lead Hazard Control								
Lead hazard reduction .....	150,480	114,840	149,840	152,000	152,000	+ 1,520	+ 37,160	+ 2,160
Management and Administration								
Salaries and expenses .....	573,210	594,000	493,240	594,000	594,000	+ 20,790	.....	+ 100,760
Fannie Mae/Freddie Mac fee proposal		- 4,000	.....	.....	.....	.....	+ 4,000	.....
Transfer from:								
Limitation on FHA corporate funds .....	(562,400)	(556,776)	(556,776)	(550,776)	(550,776)	(- 11,624)	(- 6,000)	(- 6,000)
GNMA .....	(10,700)	(10,593)	(10,700)	(10,700)	(10,700)	.....	(+ 107)	.....
Community Development Loan Guarantees Program .....	(750)	.....	.....	(750)	(750)	.....	(+ 750)	(+ 750)
Native American Housing Block Grants .....	(150)	(148)	(149)	(149)	(149)	(- 1)	(+ 1)	.....
Indian Housing Loan Guarantee Fund Program .....	(250)	(248)	(248)	(248)	(248)	(- 2)	.....	.....
Native Hawaiian Housing Loan Guarantees .....	(35)	(35)	(35)	(35)	(35)	.....	.....	.....
Subtotal .....	(1,147,495)	(1,157,800)	(1,061,148)	(1,156,658)	(1,156,658)	(+ 9,163)	(- 1,142)	(+ 95,510)
Transfer from CDF (emergency) (Public Law 109-234)								
Working capital fund .....	(12,000)	.....	.....	.....	.....	(- 12,000)	.....	.....
Transfer from CDF(emergency) (Public Law 109-234)	195,030	219,780	.....	219,780	219,780	+ 24,750	.....	+ 219,780
Office of Inspector General								
(By transfer, limitation on FHA corporate funds) .....	81,180	83,240	83,240	91,420	91,420	+ 10,240	+ 8,180	+ 8,180
Transfer from CDF (emergency) (Public Law 109-234) .....	(23,760)	(23,760)	(23,760)	(23,760)	(23,760)	(- 9,000)	.....	.....
Subtotal .....	(113,940)	(107,000)	(107,000)	(115,180)	(115,180)	(+ 1,240)	(+ 8,180)	(+ 8,180)
Office of Federal Housing Enterprise Oversight								
Offsetting receipts .....	60,000	62,000	62,000	67,600	67,600	+ 7,600	+ 5,600	+ 5,600
.....	- 60,000	- 62,000	- 62,000	- 67,600	- 67,600	- 7,600	- 5,600	- 5,600
Total, Management and Administration .....	849,420	893,020	576,480	905,200	905,200	+ 55,780	+ 12,180	+ 328,720

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2007—Continued  
(In thousands of dollars)

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2006 appropriation	Budget estimate	House allowance
Rescissions:							
Housing certificate fund .....	-2,050,000	-2,000,000	-2,000,000	-2,000,000	+50,000	.....	.....
Revitalization of severely distressed public housing .....	.....	-99,000	.....	.....	.....	+99,000	.....
Brownfields Redevelopment .....	-10,000	.....	.....	.....	+10,000	.....	.....
Community Development Fund .....	.....	-356,400	.....	.....	.....	+356,400	.....
Subtotal .....	-2,060,000	-2,455,400	-2,000,000	-2,000,000	+60,000	+455,400	.....
Total, title III, Department of Housing and Urban Development .....	50,684,127	34,118,007	35,297,266	36,587,572	-14,096,555	+2,469,565	+1,290,306
Appropriations .....	(33,542,827)	(33,685,407)	(34,205,266)	(35,304,172)	(+1,761,345)	(+1,618,765)	(+1,098,906)
Rescissions .....	(-2,060,000)	(-2,455,400)	(-2,000,000)	(-2,000,000)	(+60,000)	(+455,400)	.....
Advance appropriations .....	(4,200,000)	(4,200,000)	(4,200,000)	(4,200,000)	.....	.....	.....
Emergency appropriations .....	(17,090,300)	.....	.....	.....	(-17,090,300)	.....	.....
Offsetting receipts .....	(-2,016,000)	(-1,234,000)	(-1,030,000)	(-833,000)	(+1,183,000)	(+401,000)	(+197,000)
Offsetting collections .....	(-73,000)	(-78,000)	(-78,000)	(-83,600)	(-10,600)	(-5,600)	(-5,600)
(By transfer) .....	.....	.....	.....	.....	.....	.....	.....
(Limitation on direct loans) .....	(100,000)	(100,000)	(100,000)	(100,000)	.....	.....	.....
(Limitation on guaranteed loans) .....	(420,289,490)	(320,294,000)	(320,159,276)	(320,431,500)	(-99,857,990)	(+137,500)	(+272,224)
(Limitation on corporate funds) .....	(598,045)	(591,560)	(591,668)	(586,418)	(-11,627)	(-5,142)	(-5,250)
TITLE IV—THE JUDICIARY							
Supreme Court of the United States							
Salaries and expenses:							
Salaries of justices .....	2,000	2,000	2,000	2,000	.....	.....	.....
Other salaries and expenses .....	58,143	61,405	61,405	61,405	+3,262	.....	.....
Subtotal .....	60,143	63,405	63,405	63,405	+3,262	.....	.....
Care of the building and grounds .....	5,568	12,959	12,959	12,959	+7,391	.....	.....



Total, Supreme Court of the United States .....	65,711	76,364	76,364	76,364	+ 10,653	.....	.....
United States Court of Appeals for the Federal Circuit							
Salaries and expenses:							
Salaries of judges .....	2,000	2,000	2,000	2,000	.....	.....	.....
Other salaries and expenses .....	21,780	24,300	24,000	23,273	+ 1,493	- 1,027	- 727
Total, U.S. Court of Appeals for the Fed Circuit .....	23,780	26,300	26,000	25,273	+ 1,493	- 1,027	- 727
United States Court of International Trade							
Salaries and expenses:							
Salaries of judges .....	2,000	2,000	2,000	2,000	.....	.....	.....
Other salaries and expenses .....	13,345	14,182	14,182	14,182	+ 837	.....	.....
Total, U.S. Court of International Trade .....	15,345	16,182	16,182	16,182	+ 837	.....	.....
Courts of Appeals, District Courts, and Other Judicial Services							
Salaries and expenses:							
Salaries of judges and bankruptcy judges .....	305,312	316,000	316,000	316,000	+ 10,688	.....	.....
Judges COLA .....	4,950	5,000	.....	5,000	+ 50	.....	+ 5,000
Other salaries and expenses .....	3,998,083	4,366,244	4,240,114	4,262,360	+ 264,277	- 103,884	+ 22,246
Emergency appropriations (Public Law 109-148) .....	18,000	.....	.....	.....	- 18,000	.....	.....
Subtotal, Salaries and expenses .....	4,326,345	4,687,244	4,556,114	4,583,360	+ 257,015	- 103,884	+ 27,246
Vaccine Injury Compensation Trust Fund .....	3,795	3,952	3,952	3,952	+ 157	.....	.....
Defender services .....	709,830	803,879	750,033	761,051	+ 51,221	- 42,828	+ 11,018
Fees of jurors and commissioners .....	60,705	63,079	63,079	63,079	+ 2,374	.....	.....
Court security .....	368,280	410,334	400,334	397,737	+ 29,457	- 12,597	- 2,597
Total, Courts of Appeals, District Courts, and Other Judicial Services .....	5,468,955	5,968,488	5,773,512	5,809,179	+ 340,224	- 159,309	+ 35,667
Administrative Office of the United States Courts							
Salaries and expenses .....	69,559	75,333	73,800	74,333	+ 4,774	- 1,000	+ 533
Federal Judicial Center							
Salaries and expenses .....	22,127	23,787	23,500	23,390	+ 1,263	- 397	- 110

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Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
					2006 appropriation	Budget estimate
Judicial Retirement Funds						
Payment to judiciary trust funds .....	40,600	58,300	58,300	58,300	+ 17,700	.....
United States Sentencing Commission						
Salaries and expenses .....	14,256	15,740	15,500	15,340	+ 1,084	- 400
						- 160
Total, title IV, the Judiciary .....	5,720,333	6,260,494	6,063,158	6,098,361	+ 378,028	- 162,133
Mandatory appropriations .....	(351,912)	(380,300)	(380,300)	(380,300)	(+ 28,388)	.....
Discretionary appropriations .....	(5,368,421)	(5,880,194)	(5,682,858)	(5,718,061)	(+ 349,640)	(- 162,133)
						(+ 35,203)
TITLE V—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT						
The White House						
Salaries and expenses .....		184,252	.....	.....	.....	- 184,252
Compensation of the President and the White House Office:						
Compensation of the President .....	450	.....	450	450	.....	+ 450
Salaries and expenses .....	53,292	.....	51,952	51,952	- 1,340	+ 51,952
Executive Residence at the White House:						
Operating expenses .....	12,312	.....	12,041	12,041	- 271	+ 12,041
White House repair and restoration .....	1,683	.....	1,600	1,600	- 83	+ 1,600
Council of Economic Advisers .....	4,000	.....	4,002	4,002	+ 2	+ 4,002
Office of Policy Development .....	3,465	.....	3,385	3,385	- 80	+ 3,385
National Security Council .....	8,618	.....	8,405	8,405	- 213	+ 8,405
Privacy and Civil Liberties Oversight Board .....	.....	.....	.....	1,500	+ 1,500	+ 1,500
Office of Administration .....	88,429	.....	91,393	91,393	+ 2,964	+ 91,393
						+ 1,500
Total, The White House .....	172,249	184,252	173,228	174,728	+ 2,479	- 9,524
						+ 1,500
Office of Management and Budget .....	76,161	68,780	76,185	76,185	+ 24	+ 7,405

Office of National Drug Control Policy							
Office of National Drug Control Policy .....	26,639	23,309	26,928	11,500	-15,139	-11,809	-15,428
High intensity drug trafficking areas program .....	224,730		235,000	227,000	+2,270	+227,000	-8,000
Other Federal drug control programs .....	192,951	212,160	194,000	214,500	+21,549	+2,340	+20,500
Counterdrug Technology Assessment Center .....	29,700	9,600	19,600	20,000	-9,700	+10,400	+400
Total, Office of National Drug Control Policy .....	474,020	245,069	475,528	473,000	-1,020	+227,931	-2,528
Unanticipated needs .....	990	11,789	1,000	1,000	+10	-10,789	
Unanticipated Needs for Natural Disasters (emerg) .....		-11,789				+11,789	
Special Assistance to the President .....	4,410	4,352	4,352	4,352	-58		
Official Residence of the Vice President: Operating expenses .....	322	317	317	317	-5		
Total, title V, Executive Office of the President and Funds Appropriated to the President .....	728,152	502,770	730,610	729,582	+1,430	+226,812	-1,028
TITLE VI—INDEPENDENT AGENCIES							
Architectural and Transportation Barriers Compliance Board .....	5,882	5,957	5,957	5,957	+75		
Consumer Product Safety Commission .....	62,370	62,370	62,370	62,370			
Election Assistance Commission .....	14,058	16,908	17,158	17,000	+2,942	+92	-158
Federal Deposit Insurance Corporation: Office of Inspector General (transfer) .....	(30,690)	(26,256)	(26,256)	(26,256)	(-4,434)		
Federal Election Commission .....	54,153	57,138	57,138	57,138	+2,985		
Federal Labor Relations Authority .....	25,213	25,218	25,218	25,218	+5		
Federal Maritime Commission .....	20,294	21,474	20,294	21,474	+1,180		+1,180
General Services Administration							
Federal Buildings Fund							
Appropriations .....		(243,025)		(243,025)	(+243,025)		(+243,025)
Limitations on availability of revenue:							
Construction and acquisition of facilities .....	792,056	690,095	212,146	708,166	-83,890	+18,071	+496,020
Repairs and alterations .....	861,376	866,194	478,363	866,194	+4,818		+387,831
Installment acquisition payments .....	168,180	163,999	163,999	163,999	-4,181		
Rental of space .....	4,046,031	4,322,548	4,322,548	4,322,548	+276,517		
Building operations .....	1,885,102	2,003,830	2,003,830	2,003,830	+118,728		
Subtotal .....	7,752,745	8,046,666	7,180,886	8,064,737	+311,992	+18,071	+883,851
Repayment of debt .....	40,000	41,000	41,000	41,000	+1,000		
Emergency appropriations (Public Law 109-148) .....	38,000				-38,000		

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Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					2006 appropriation	Budget estimate	House allowance
Emergency appropriations (Public Law 109-234) .....	37,000	.....	.....	.....	-37,000	.....	.....
Rental income to fund .....	-7,808,000	-7,844,641	-7,844,641	-7,844,641	-36,641	.....	.....
Total, Federal Buildings Fund .....	59,745	243,025	-622,755	261,096	+201,351	+18,071	+883,851
Government-wide policy .....	52,268	52,550	52,550	52,550	+282	.....	.....
Operating expenses .....	98,891	83,032	80,032	83,032	-15,859	.....	+3,000
Office of Inspector General .....	42,976	44,312	44,312	44,312	+1,336	.....	.....
Electronic Government Fund .....	2,970	5,000	3,000	5,000	+2,030	.....	+2,000
Allowances and Office Staff for Former Presidents .....	2,922	3,030	3,030	3,030	+108	.....	.....
Federal Citizen Information Center Fund .....	14,850	16,866	16,866	16,866	+2,016	.....	.....
Total, General Services Administration .....	274,622	447,815	-422,965	465,886	+191,264	+18,071	+888,851
Merit Systems Protection Board							
Salaries and expenses .....	35,244	36,531	36,531	36,550	+1,306	+19	+19
Limitation on administrative expenses .....	2,579	2,579	2,579	2,600	+21	+21	+21
Total, Merit Systems Protection Board .....	37,823	39,110	39,110	39,150	+1,327	+40	+40
Morris K. Udall Foundation							
Morris K. Udall Trust Fund .....	1,980	.....	2,000	2,000	+20	+2,000	.....
Environmental Dispute Resolution Fund .....	1,881	693	2,000	2,000	+119	+1,307	.....
Total, Morris K. Udall Foundation .....	3,861	693	4,000	4,000	+139	+3,307	.....
National Archives and Records Administration							
Operating expenses .....	280,215	289,605	281,605	285,915	+5,700	-3,690	+4,310
Electronic records archive .....	37,535	45,455	45,455	48,810	+11,275	+3,355	+3,355
Reduction of debt .....	-8,488	-10,026	-10,026	-10,026	-1,538	.....	.....
Repairs and restoration .....	9,585	13,020	13,020	18,790	+9,205	+5,770	+5,770



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FOR FISCAL YEAR 2007—Continued  
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Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
					2006 appropriation	Budget estimate
United States Tax Court .....	47,518	47,110	47,110	47,110	- 408	.....
Total, title VII, Independent Agencies .....	19,972,947	20,999,133	20,136,498	21,062,139	+ 1,089,192	+ 63,006
Appropriations .....	(19,825,947)	(20,922,880)	(20,058,247)	(20,983,888)	(+ 1,157,941)	(+ 61,008)
Rescissions .....	(- 1,000)	(- 3,662)	(- 1,664)	(- 1,664)	(- 664)	(+ 1,998)
Advance appropriations .....	(73,000)	(79,915)	(79,915)	(79,915)	(+ 6,915)	.....
Emergency appropriations .....	(75,000)	.....	.....	.....	(- 75,000)	.....
(By transfer) .....	(30,690)	(26,256)	(26,256)	(26,256)	(- 4,434)	.....
(Limitation on direct loans) .....	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	.....	.....
(Limitation on corporate funds) .....	(323)	(331)	(331)	(331)	(+ 8)	.....
Title VIII—General Provisions, This Bill						
Scoring adjustment (for 1 percent ATB rescission) .....	- 10,707	.....	.....	.....	+ 10,707	.....
Fed Hwys—addl contract authority (1 percent rescission) .....	- 6,000	.....	.....	.....	+ 6,000	.....
Grand total (net) .....	102,948,146	86,748,272	86,656,536	89,389,989	- 13,558,157	+ 2,641,717
Appropriations .....	(87,073,023)	(87,988,269)	(87,835,954)	(90,490,843)	(+ 3,417,820)	(+ 2,502,574)
Emergency appropriations .....	(20,685,563)	(- 11,789)	.....	.....	(- 20,885,563)	(+ 11,789)
Offsetting collections .....	(- 73,000)	(- 78,000)	(- 78,000)	(- 83,600)	(- 10,600)	(- 5,600)
Rescissions .....	(- 2,117,078)	(- 2,614,123)	(- 2,156,725)	(- 2,160,372)	(- 43,294)	(+ 453,751)
Rescission of contract authority .....	(- 4,877,362)	(- 1,582,000)	(- 2,194,608)	(- 2,303,797)	(+ 2,573,565)	(- 721,797)
Negative subsidy receipts .....	(- 2,016,000)	(- 1,234,000)	(- 1,030,000)	(- 833,000)	(+ 1,183,000)	(+ 401,000)
Advance appropriations .....	(4,273,000)	(4,279,915)	(4,279,915)	(4,279,915)	(+ 6,915)	.....
(Limitation on obligations) .....	(47,271,957)	(50,431,240)	(51,265,740)	(51,081,740)	(+ 3,809,783)	(+ 650,500)
(Exempt contract authority) .....	(739,000)	(739,000)	(739,000)	(739,000)	.....	.....
(By transfer) .....	(151,922)	(26,256)	(26,256)	(26,256)	(- 125,666)	.....
(Transfer out) .....	(- 121,232)	.....	.....	.....	(+ 121,232)	.....

Total budgetary resources .....	(150,959,103)	(137,918,512)	(138,661,276)	(141,210,729)	(-9,748,374)	(+3,292,217)	(+2,549,453)
Discretionary total .....	84,093,784	67,016,212	66,924,026	69,657,479	-14,436,305	+2,641,267	+2,733,453

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